ELEMENT FLEET MANAGEMENT CORP.

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 12, 2020

AND

MANAGEMENT INFORMATION CIRCULAR

April 2, 2020

ELEMENT FLEET MANAGEMENT CORP.

Invitation to Shareholders

Dear Fellow Shareholders,

On behalf of Element's Board of Directors (the "Board") and management, I am pleased to invite you to join me at our annual meeting of common shareholders of Element Fleet Management Corp. ("Element" or the "Corporation"). The meeting will be held on Wednesday, May 12, 2020 at 4:00 p.m. (Toronto time).

This year, given the unprecedented public health impact of the COVID-19 virus, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our annual meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the annual meeting online regardless of their geographic location. At the meeting, you'll have the opportunity to ask questions and vote on a number of important matters. Following the formal business of the meeting, members of Element's management will review Element's performance in 2019 and discuss the Corporation's progress in executing its strategy. The Management Information Circular contains detailed instructions about how to participate at the virtual meeting. We expect to return to holding an in-person annual meeting in 2021.

Element's fourth quarter and full-year core financial results, released on February 25, 2020, underscore an exceptionally strong 2019 for the Corporation and all of its stakeholders – including you, our investors - as evidenced by the Corporation's year-end 2019 Global Balanced Scorecard metrics.

Management's primary focus continues to be the transformation program, which remains ahead of schedule as Element enters the final leg of the journey – 'Building for the Future' – throughout 2020. Management is further fortifying Element's industry-leading platform to consistently deliver a superior client experience and underpin the Corporation's profitable growth and free cash flow generation for years to come.

The Management Information Circular contains important information. After reviewing it, please vote your shares on all items to be considered. Should you be unable to attend the virtual meeting on May 12, 2020, we urge you to vote your shares in advance of the meeting by delivering your completed proxy or voting instruction form as explained in the Management Information Circular.

The Board has strong confidence in the leadership of our President and Chief Executive Officer, Jay Forbes, and his management team as well as the strategy they have articulated for Element going forward. We believe that their focus on, and disciplined execution of, the strategy throughout 2020 will produce tangible benefits to our clients, employees and shareholders alike.

Thank you for your continued confidence in Element and we look forward to welcoming you on May 12, 2020.

Sincerely,

David Denison
Chair of the Board

April 2, 2020

ELEMENT FLEET MANAGEMENT CORP.

Notice of Annual Meeting of Shareholders
May 12, 2020

Notice is hereby given that the annual meeting of the holders of common shares of Element Fleet Management Corp. (the "Corporation") will be held on Tuesday, May 12, 2020 at 4:00 p.m. (Toronto time) (the "Meeting") via live audio webcast online at https://web.lumiagm.com/282468185. The Meeting will be held for the following purposes:

1. to receive the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2019 and the auditors' report thereon, a copy of which is enclosed herewith;

2. to elect the Directors of the Corporation;

3. to re-appoint auditors and to authorize the Board of Directors to fix their remuneration;

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

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

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular (the "Circular") accompanying this Notice of Meeting under the heading of "Matters to be Acted Upon at Meeting".

This year, given the unprecedented public health impact of the COVID-19 virus, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our annual meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the annual meeting online regardless of their geographic location. Registered shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular.

Non-registered (or beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting. A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Trust Company of Canada, after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a Control Number to participate in the Meeting and only being able to attend as a guest. Proxies must be received not later than Friday, May 8, 2020 at 4:00

p.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED the 2nd day of April, 2020.

By Order of the Board of Directors

David Colman
Executive Vice President, General Counsel & Corporate Secretary

ELEMENT FLEET MANAGEMENT CORP.

Management Information Circular for Annual Meeting of Shareholders
May 12, 2020

ABOUT THIS MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This Management Information Circular (the "Circular") is being furnished in connection with the solicitation, by or on behalf of the management of Element Fleet Management Corp. ("Element" or the "Corporation"), of proxies to be used at the Corporation's annual meeting of the holders of common shares of the Corporation (the "Common Shares") to be held on Tuesday, May 12, 2020 (the "Meeting") or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare") at nominal cost. In addition, Element has retained Kingsdale Advisors ("Kingsdale") as strategic shareholder advisor and proxy solicitation agent in connection with the solicitation of proxies for the Meeting. For their proxy solicitation services Kingsdale will receive a fixed fee of $45,000, plus customary per-call and communications fees, if applicable. Shareholders can contact Kingsdale either by mail at Kingsdale Advisors, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-866-581-0510 or collect call outside North America at 416-867-2272, or by e-mail at contactus@kingsdaleadvisors.com. The cost of solicitation will be borne by the Corporation.

Attending the Meeting

Element is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered (beneficial) shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote.

To attend the Meeting, log in online at https://web.lumiagm.com/282468185. We recommend that you log in at least fifteen minutes before the Meeting starts. To log in, either click:

- "I Have A Login" and then enter your Control Number (see below) and Password "element2020" (case sensitive)

  OR

- “I Am A Guest” and then complete the online form.

For registered shareholders, the 15-digit control number located on the form of proxy or in the email notification you received is your “Control Number” and serves as the “Username” for login purposes.

For duly appointed proxyholders, Computershare will provide the proxyholder with your Control Number by e-mail after the proxy voting deadline has passed and you have been duly appointed and registered as described in “Appointment of Proxyholder” below. Such Control Number serves as the “Username” for login purposes.

If you attend the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures.

For more information, please see Computershare’s Virtual AGM User Guide, attached hereto as Appendix “B”.

Voting at the Meeting

Registered shareholders and duly appointed proxyholders may vote at the Meeting by completing a ballot online during the Meeting.

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest. This is because Element and Computershare do not have a record of the non-registered shareholders of the Corporation, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder. See “Appointment of Proxyholder” and “Non-Registered Shareholders” below.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form (“VIF”) sent to you and must follow all of the applicable instructions, including the deadline, provided by your Intermediary (as defined below).

Appointment of Proxyholder

The following applies to shareholders who wish to appoint someone as their proxyholder other than the Element proxyholders named in the form of proxy or VIF. This includes non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint someone other than the Element proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares must submit their form of proxy or VIF, as applicable, appointing that person as proxyholder and register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed after you have submitted your form of proxy or VIF per the instructions described below. To register a proxyholder in this manner, shareholders must visit http://www.computershare.com/elementfleet by 4:00 p.m. (Toronto time) on May 8, 2020 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. **Failure to register the proxyholder will result in the proxyholder not receiving a Control Number that is required**

to vote at the Meeting. Without a Control Number, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

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

Additionally, Element may use Broadridge's QuickVote™ service to assist non-registered shareholders with voting their shares. Non-registered shareholders may be contacted by Kingsdale to obtain voting instructions directly over the telephone. Broadridge then tabulates the results of all the instructions received and provides the appropriate instructions respecting the shares to be represented at the meeting.

Registered Shareholders

In the case of registered shareholders, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Executive Vice President, General Counsel & Corporate Secretary of the Corporation c/o Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1, fax number 1-866-249-7775 or to the Executive Vice President, General Counsel & Corporate Secretary of the Corporation at the Corporation's registered office, which is located at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1. To vote over the internet, go to www.investorvote.com and enter the 15-digit control number printed on your form of proxy. To vote by telephone, call 1-866-732-8683 (toll-free in North America) and enter the 15-digit control number printed on your form of proxy. Follow the instructions provided by the interactive voice recognition system.

Non-Registered Shareholders

In the case of non-registered shareholders, excluding those located in the United States, who receive these materials through their broker or other Intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other Intermediary. To be effective, a proxy must be received by Computershare Trust Company of Canada or the Executive Vice President, General Counsel & Corporate Secretary of the Corporation no later than Friday, May 8, 2020 at 4:00 p.m. (Toronto time) (unless such proxy submission deadline is waived by the Board of Directors of the Corporation (the "Board")), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Non-Registered Shareholders (United States)

If you are a non-registered shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described herein, you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the form of proxy and VIF sent to you, or contact your Intermediary to request a form of proxy if you have not received one. After obtaining a valid form of proxy from your Intermediary, you must then submit a copy of such legal proxy to Computershare. Requests for registration from non-registered shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, Canada (if by courier), and in both cases, must be labelled "Legal Proxy" and received no later than the voting deadline of 4:00 p.m. (Toronto time) on May 8, 2020. You will receive a confirmation of your registration by e-mail after Computershare receives your registration materials.

Revocation of Proxy

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

If you are a beneficial owner, contact your broker or nominee to find out how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or VIF to ensure it is given effect at the Meeting.

If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke all previously submitted proxies. However, in such a case, you will be provided with the opportunity to vote by ballot on the matters put forth at the Meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Voting of Proxies

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

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

Non-Registered Shareholders

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

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

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about them to the Corporation are referred to as non-objecting beneficial owners ("NOBOs"). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as objecting beneficial owners ("OBOs"). In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Corporation has elected to send copies of the proxy-related materials, including a form of proxy or VIF (collectively, the "meeting materials") indirectly through Intermediaries for onward distribution to NOBOs and OBOs. Element will also pay the fees and costs of Intermediaries for their services in delivering the meeting materials to NOBOs and OBOs in accordance with NI 54-101. Intermediaries must forward the meeting materials to each Non-Registered Holder (unless the Non-Registered Holder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions, Canada), to permit the Non-Registered Holder to direct the voting of the Common Shares held by the Intermediary on behalf of the Non-Registered Holder.

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

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

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

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

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

NOTICE AND ACCESS

The Corporation is utilizing the notice-and-access mechanism (the "Notice-and-Access Provisions") under NI 54-101 and NI 51-102 for distribution of this Circular to both registered and non-registered (or beneficial) shareholders.

The Notice-and-Access Provisions allow reporting issuers to post electronic versions of proxy-related materials, such as this Circular and annual financial statements (the "Proxy-Related Materials") on-line, via the System for Electronic Document Analysis and Retrieval ("SEDAR") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular and audited consolidated financial statements and management's discussion and analysis of the Corporation for the year ended December 31, 2019 and the auditors' report thereon (the "Financial Statements") may be found on the Corporation's SEDAR profile at www.sedar.com and also on the following website at www.envisionreports.com/ELTQ2020. The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the management information circular to some shareholders with this notice package. In relation to the Meeting, all of the shareholders of the Corporation will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular nor the Financial Statements. **Shareholders are reminded to review the Circular before voting.**

Although the Circular and the Financial Statements are posted electronically, as noted above, shareholders will receive a "notice package", by prepaid mail, which includes the notice of meeting, a form of proxy or VIF and supplemental mail list return card for shareholders to request they be included in the Corporation's supplementary mailing list for receipt of the Financial Statements. Shareholders should follow the instructions for completion and delivery contained in the form of proxy or VIF.

The Corporation anticipates that using the Notice-and-Access Provisions for delivery to all of the Corporation's shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing Proxy-Related Materials.

Shareholders with questions about Notice-and-Access Provisions can call the Corporation's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1 toll free at 1-866 964-0492. Shareholders may also obtain paper copies of the Proxy Related Materials free of charge by contacting Computershare or upon request to the Executive Vice President, General Counsel & Corporate Secretary of the Corporation by email at dcolman@elementcorp.com.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Computershare as applicable, by April 27, 2020 in order to allow sufficient time for shareholders to receive the paper copies and to return their proxies or VIFs.

VOTING SHARES

Voting Shares

As at March 30, 2020, the Corporation had 437,682,398 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether directly, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Record Date

The Board of Directors (the "Board") has fixed March 30, 2020 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at March 30, 2020, no person beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares.

MATTERS TO BE ACTED UPON AT MEETING

All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

Financial Statements

The Financial Statements will be presented at the Meeting. No vote with respect to the Financial Statements is required to be taken.

Election of Directors

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

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

The director nominee profiles set out in this Circular provide detailed information about each nominee for election to the Board, including their expertise, committee memberships, meeting attendance, public board memberships and voting results for last year's director elections, the number of securities beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as of December 31, 2019, and 2019 total compensation, as applicable. The information as to securities beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Re-appointment of Auditors

Ernst & Young LLP are the current auditors of the Corporation. At the Meeting, the holders of Common Shares will be requested to re-appoint Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration. For information regarding the fees paid by the Corporation to Ernst & Young LLP in 2018 and 2019, please refer to the Corporation's Annual Information Form dated March 23, 2020 and available at www.sedar.com.

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

Advisory Vote on the Corporation's Approach to Executive Compensation

The governing objective of the Corporation's executive compensation program is to align executive interests with shareholders' interests. This objective is reflected in the Corporation's philosophy of pay for performance, based on competitive market practice, without encouraging excessive or inappropriate risk taking. This approach to executive compensation ensures that executives and shareholders share the common goals of commercial success and enhanced shareholder value. You can find details of the Corporation's executive compensation program in this Circular, including the compensation discussion and analysis starting on page 36.

Holders of Common Shares will be requested to vote on the way the Corporation compensates its executives. This vote is advisory and non-binding on the Corporation and the Board; however, the results will influence how the Compensation and Corporate Governance Committee ("C&CG Committee") considers executive compensation matters in the future. At the Corporation's annual meeting held on May 8, 2019, the resolution regarding executive compensation, substantially similar to the language provided below, was approved with 95.35% of our shareholders who voted on the matter.

The ordinary resolution, which requires a majority vote to be approved, is:

> “Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Management Information Circular delivered in advance of the 2020 Annual Meeting of Shareholders of the Corporation.”

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Circular includes forward-looking statements and forward-looking information regarding Element and its business. Such statements and information are based on the current internal expectations, estimates, projections, assumptions and beliefs of Element’s management. These statements may include, without limitation, statements relating, but not limited, to our compensation programs, board and committee composition, operations, anticipated financial performance, business prospects, planned capital expenditures and strategies. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions. In some cases, words such as “plan”, “expect”, “intend”, “believe”, “anticipate”, “estimate”, “target”, “project”, “forecast”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements and information.

Forward-looking statements are provided for the purposes of assisting the reader in understanding Element and its business, operations, risks, financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management’s current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. 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.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. Although Element believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Element cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither Element nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements and information.

Additional information about the risks and uncertainties of Element’s business and material factors or assumptions on which information contained in forward-looking statements is based is provided in Element’s Annual Information Form and MD&A for fiscal year 2019, filed with the securities regulatory authorities in Canada and available on SEDAR at www.sedar.com.

Other than as specifically required by applicable Canadian law, forward-looking statements speak only as of the date on which they are made and Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

DIRECTORS

Nominees for Election to the Board of Directors

The following tables provide information on the nominees. Included in these tables is information relating to the nominees' current membership on standing committees of the Board and other public company directorships held in the past five years. The profiles also show the present principal occupation and principal occupations held in the past five years, if different. In addition, the profiles show securities of Element held as of December 31, 2019 by each of the nominees, and these holdings as a multiple of their annual retainer. Certain other personal information is also included. In the tables, certain information, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Andrew Clarke – Independent Director
Minneapolis, Minnesota, U.S.A. | Director since 2018 | Age 49

Andrew Clarke serves as a director of Element and is a member of the Audit Committee and the C&R Committee. He was appointed as director in June 2018. Mr. Clarke has over 20 years of experience in the transportation industry. Mr. Clarke previously served as the Chief Financial Officer of C.H. Robinson, Inc. of Minneapolis, Minnesota, a NASDAQ-listed corporation and one of the world's largest third-party logistics providers, a position he held from 2015 to 2019. From 2007 to 2013, Mr. Clarke was the Chief Executive Officer of Panther Expedited Services, Inc. of Seville, Ohio, a premium logistics provider that focuses on the automotive, life sciences, governmental and manufacturing segments. From 2001 to 2006, Mr. Clarke served in various executive roles, including as Senior Vice President and Chief Financial Officer, at Forward Air Corporation, a NASDAQ-listed, diversified transportation services corporation. Mr. Clarke is currently a director of two private companies, Direct Chassis Link, Inc. and Rock-it Cargo USA LLC and has been a director of several public companies, including Forward Air Corporation, Blount International Inc., where he served as Chairperson of the Audit Committee and a member of the Corporate Governance and Compensation Committee, and Pacer International, Inc., where he served as Chair of the Audit Committee and member of the Compensation and Nominating & Corporate Governance Committees. Mr. Clarke holds a Bachelor of Science in Business Administration from Washington University and a Master of Business Administration from the University of Chicago Booth School of Business.

Board/ Standing Committee Memberships/2019 Attendance:	Board (9/9 100%), Audit (4/4 100%), C&R (2/2 100%)
Public Board Memberships in last five (5) years:	Blount International, Inc. (until 2016)
2019 Compensation:	$211,120[1] (100% in DSUs)
2019 Annual Meeting (votes for):	99.27%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director)	Value of Securities as Compared to Equity Ownership Requirement
2019	15,000	35,547	$560,566[2]	$1,028,650[4]	54%
2018	15,000	13,213	$194,951[3]	$792,000	24%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Paul D. Damp – Independent Director

Toronto, Ontario, Canada | Director since 2016 | Age 64

Mr. Damp serves as a director of Element and is Chair of the Audit Committee. Mr. Damp is the President of Finn River Management Corp., a private investment firm. He was previously non-executive Chair and director of DH Corporation from 2001 to 2017 and Chair, director and Chief Executive Officer of Accugraph Corporation from 1996 to 1998. Prior to 1994, he was President and Chief Operating Officer of SHL Systemhouse Inc., and prior to 1990, a partner at KPMG LLP. Mr. Damp graduated from the University of Toronto with a Bachelor of Commerce degree and is a Chartered Professional Accountant.

Board/ Standing Committee Memberships/2019 Attendance:	Board (9/9 100%), Audit (4/4 100%),
Public Board Memberships in last five (5) years:	DH Corporation (until 2017)
2019 Compensation:	$222,477[(1)] (100% in DSUs)
2019 Annual Meeting (votes for):	99.21%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	100,000	92,073	$2,130,090[(2)]	$1,028,650[(4)]	207%
2018	100,000	67,356	$1,156,430[(3)]	$792,000	146%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

David F. Denison – Chair of the Board and Independent Director

Toronto, Ontario, Canada | Director since 2018 | Age 67

David Denison serves as Chair of Element's Board since January 1, 2019 and as a member of the C&CG Committee since December 14, 2018. Mr. Denison is a director of the Royal Bank of Canada and BCE Inc. and a past Chair of The Canadian Coalition for Good Governance. He is also a member of the Investment Board and the International Advisory Committee of the Government of Singapore Investment Corporation, and the International Advisory Council of the China Investment Corporation. Mr. Denison was also Chair of the Board of Hydro One Limited, and served as President and Chief Executive Officer of the Canada Pension Plan Investment Board from 2005 to 2012. Prior to that, he was President of Fidelity Investments Canada Limited. Mr. Denison earned Bachelor's degrees in mathematics and education from the University of Toronto. He is a Chartered Professional Accountant and a Fellow of Chartered Professional Accountants of Ontario. He is an Officer of the Order of Canada

Board/Standing Committee Memberships/2019 Attendance:	Board (9/9 100%), C&CG (7/7 100%)
Public Board Memberships in last five (5) years:	Royal Bank of Canada (since 2012), BCE Inc. (since 2012) Allison Transmission Holdings, Inc. (2013 – 2017), Hydro One Limited (2015 – 2018)
2019 Compensation:	$402,854[(1)] (100% in DSUs)
2019 Annual Meeting (votes for):	99.77%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	30,621	42,654	$812,620[(2)]	$2,181,984[(4)]	37%
2018	30,000	954	$213,892[(3)]	$1,680,000	13%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Jay Forbes – Executive Director

Chester Basin, Nova Scotia, Canada | Director since 2018 | Age 59

Mr. Forbes serves as a director of Element and was appointed as Chief Executive Officer of the Corporation effective June 1, 2018. Prior to joining Element, Mr. Forbes was President and Chief Executive Officer of Manitoba Telecom Services Inc. (“MTS”), a regional telecom services provider, from 2015 to 2017. Mr. Forbes was President and Chief Executive Officer of Teranet Inc., a world-leading developer, operator and owner of electronic land registration systems, from 2009 to 2013. Mr. Forbes’ other leadership roles have included President at Ingram Micro Inc. and President and Chief Executive Officer at Aliant Inc. He was previously a director at Economical Insurance, MTS, Stratos Global Corporation and Aliant Inc. Mr. Forbes is a Top 40 Under 40 as well as a Top 50 CEO Award recipient. He holds a Bachelor of Commerce degree from Dalhousie University, is a Fellow of the Chartered Professional Accountants of Nova Scotia (FPCA, FCA), and has completed the Institute of Corporate Directors program.

Board/ Standing Committee Memberships/2019 Attendance:	Board (9/9 100%)
Public Board Memberships in last five (5) years:	Manitoba Telecom Services Inc. (until 2017)
2019 Compensation:	Board compensation is not paid to executive officers. See “Summary Compensation Table” for Mr. Forbes’ compensation as CEO of Element.
2019 Annual Meeting (votes for):	99.79%

Securities held at fiscal year end(1)

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	300,000	—	$3,327,000(2)	N/A(4)	N/A(2)
2018	300,000	—	$2,073,000(3)	N/A	N/A

(1) In addition to the securities listed in this table, Mr. Forbes holds option-based and share-based awards. These securities do not count towards his share ownership requirements until they vest. Please see “Incentive Plan Awards - Outstanding option-based and share-based awards” for further details about Mr. Forbes’ option-based and share-based awards.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Mr. Forbes is subject to the equity ownership requirements as President and Chief Executive Officer of the Corporation. See “Compensation Discussion and Analysis – Equity Ownership Requirements”.

G. Keith Graham – Independent Director

Chatham, Ontario, Canada | Director since 2018 | Age 58

Mr. Graham serves as a director of Element and is a member of the Audit Committee and the C&CG Committee. He was appointed as director in May 2018. He has extensive business, investment and asset management expertise and brings a valuable institutional investor’s perspective to the Board. Mr. Graham is the Founder and President of Rondeau Capital Inc., a private investment and advisory company, where he actively managed investments from 2009 to 2017. He has over 25 years of experience as a Portfolio Manager and Senior Executive with firms such as AGF Funds Inc., a diversified global asset management firm, Trimark Investments, a privately-owned investment management firm, and Ontario Teachers’ Pension Plan, one of the world’s largest single-profession pension plans and private equity investors. Mr. Graham holds the Chartered Financial Analyst designation and earned a Master of Business Administration from the Ivey School of Business at the University of Western Ontario.

Board/ Standing Committee Memberships/2019 Attendance:	Board (8/9 89%), Audit (2/2 100%), C&CG (7/7 100%)
Public Board Memberships in last five (5) years:	B.E.S.T Total Return Fund, Inc. (since 2018) and Redknee Solutions Inc. (until 2017)
2019 Compensation:	$211,120(1) (100% in DSUs)
2019 Annual Meeting (votes for):	98.52%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	100,000	34,826	$1,495,220(2)	$1,028,650(4)	145%
2018	100,000	12,507	$777,423(3)	$792,000	98%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Alexander D. Greene – Independent Director

Armonk, New York, U.S.A. | Director since 2018 | Age 61

Mr. Greene serves as a director of Element and is a member of the Audit Committee and the C&R Committee. He was appointed in June 2018. Mr. Greene has over 35 years of corporate finance and private equity experience. Mr. Greene has been a director of Ambac Financial Group, Inc., a publicly traded company whose subsidiaries provide financial guarantees, since April 2015, a director of USA Truck Inc., a publicly traded truckload carrier, since May 2014 and a member of the board of directors of GP Natural Resource Partners LP, a publicly traded diversified natural resources company since March 2019. Mr. Greene also served as Chairman of the Board of Directors of Modular Space Corporation, a supplier of modular buildings and storage containers, prior to its sale in 2018. From 2005 to 2014, Mr. Greene served as a Managing Partner and Head of US Private Equity at Brookfield Asset Management Inc. ("Brookfield"), a global alternative asset manager. Prior to joining Brookfield, Mr. Greene was a Managing Director and Co-Head of Carlyle Strategic Partners, a private equity fund of The Carlyle Group, and a Managing Director at Wasserstein Perella where he served as an investment banker to large and mid-cap businesses, focusing on leveraged finance and recapitalization transactions. Mr. Greene is President of the Armonk Independent Fire Company and holds a Bachelor's degree in Finance from The George Washington University.

Board/ Standing Committee Memberships/2019 Attendance:	Board (9/9 100%), Audit (2/2 100%), C&R (3/4 75%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2015), USA Truck, Inc. (since 2014), Civeo Corporation (until 2015), CWC Energy Services Corp. (until 2014) and Overseas Shipholding Group, Inc. (until 2015)
2019 Compensation:	$211,120(1) (100% in DSUs)
2019 Annual Meeting (votes for):	99.78%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	45,000	35,547	$893,266(2)	$1,028,650(4)	87%
2018	45,000	13,213	$402,252(3)	$792,000	51%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Joan Lamm-Tennant – Independent Director

Fairfield, Connecticut, U.S.A. | Director since 2014 | Age 67

Ms. Lamm-Tennant serves as a director of Element and is Chair of the C&CG Committee. She has served as a director of Element since May 2014. Ms. Lamm-Tennant is the Chief Executive Officer and Founder of Blue Marble Micro Limited, a for-profit social enterprise, capitalized by eight international insurance entities in January 2016 and focused on expanding risk protection to the underserved. Previously, Ms. Lamm-Tennant was the Global Chief Economist and Risk Strategist of Guy Carpenter Company LLC, a reinsurance and risk management operating company of Marsh & McLennan and President of GenRe Capital Consultants, where she led the global advisory arm of General Reinsurance. Ms. Lamm-Tennant was an advisor to C-Suite Executives and Board Members of global (re)insurance with emphasis on enterprise risk modeling, implementation of risk-based decision processes and high value strategies resulting in capital efficiencies and profitable growth. Before joining industry, Ms. Lamm-Tennant had an academic career of over fifteen years. Ms. Lamm-Tennant was a tenured Professor of Finance at Villanova University where she held the Thomas Labrecque Chair in Business. Upon joining industry, Ms. Lamm-Tennant was an Adjunct Professor at the Wharton School at the University of Pennsylvania where she held the Laurence and Susan Hirsch Chair in International Business. Ms. Lamm-Tennant holds a PhD in Finance and Investments from the University of Texas, Austin, an MBA in Finance from St. Mary's University, San Antonio, Texas and a BBA with Honors in Accounting from St. Mary's University, San Antonio, Texas.

Board/ Standing Committee Memberships/2019 Attendance:	Board (8/9 89%), C&CG (7/7 100%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2018)

	2019 Compensation:	$222,477(1) (100% in DSUs)
	2019 Annual Meeting (votes for):	98.46%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	30,277	165,058	$2,166,265(2)	$1,028,650(4)	211%
2018	30,277	138,986	$1,169,607(3)	$792,000	148%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Rubin J. McDougal – Independent Director

Alpine, Utah, U.S.A. | Director since 2018 | Age 63

Mr. McDougal serves as a director of Element and is Chair of the C&R Committee. He was appointed as director in May 2018. He brings extensive finance, public-company compliance and financial reporting experience to the Corporation, having successfully guided diverse financial organizations in the past. Mr. McDougal is CFO of Great Wolf Resorts and on the board of Bluestem Group (OTC:BGRP). He also provides advisory support to a broad range of privately held enterprises and has served in global finance leadership roles in Asia, Europe and the United States. Mr. McDougal was a director of Novitex Enterprise Solutions, Inc., a managed services provider in the document outsourcing industry, where he also acted as Chair of the Audit Committee. Mr. McDougal served as Chief Financial Officer of CEVA Logistics, a global supply chain services provider based in Amsterdam, from 2009 to 2016, and served as Chief Financial Officer of CNH Global NV, a manufacturer and financial services provider in the agricultural and construction equipment industries, from 2006 to 2009. Mr. McDougal holds a Master of Business Administration from Western Michigan University.

Board/ Standing Committee Memberships/2019 Attendance:	Board (9/9 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Nil
2019 Compensation:	$215,427(1) (100% in DSUs)
2019 Annual Meeting (votes for):	99.78%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	23,000	38,867	$686,105(2)	$1,028,650(4)	67%
2018	23,000	16,092	$270,126(3)	$792,000	34%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).
(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($6.91).
(4) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Andrea Rosen – Independent Director
Toronto, Ontario, Canada | Director since 2019 | Age 65

Ms. Rosen serves as a director of Element and is a member of the C&R Committee and the C&CG Committee. She was elected as director in May 2019. Andrea Rosen has been a corporate director since 2006 and currently serves on the Board of Directors of Ceridian HCM Holdings Inc., Manulife Financial Corporation and Emera Inc. She also served on the Board of Directors of Alberta investment Management Corporation from 2008 to 2017 and Hiscox Ltd. from 2006 to 2015. Prior to January 2005, her experience includes more than a decade with TD Bank Financial Group, where she ultimately served as Vice Chair, TD Bank Financial Group and President of TD Canada Trust. Earlier in her career, she held progressively senior positions at Wood Gundy Inc. and was Vice President at Varity Corporation. She serves on the board of the Institute of Corporate Directors (not-for-profit). Ms. Rosen has an LLB from Osgoode Hall Law School, an MBA from the Schulich School of Business at York University and a Bachelor of Arts from Yale University.

Board/ Standing Committee Memberships/2019 Attendance:	Board (5/6 83%), C&CG (3/3 100%), C&R (2/2 100%)
Public Board Memberships in last five (5) years:	Ceridian HCM Holding Inc. (since 2018), Manulife Financial Corporation (since 2011), Emera Inc. (since 2007) and Hiscox Ltd. (2006-2015)
2019 Compensation:	\$139,677(1) (100% in DSUs)
2019 Annual Meeting (votes for):	99.72%

Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director	Value of Securities as Compared to Equity Ownership Requirement
2019	—	13,381	\$148,395(2)	\$1,028,650(3)	14%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.332.
(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).
(3) Based on a conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Element, no proposed nominee for election as a director of Element has been, at the date of this Circular or within the last 10 years: (a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; or (b) a director or executive of a company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except that:

i. Rubin McDougal was Chief Financial Officer of CEVA Logistics in 2012 when the company made a voluntary debt for equity exchange offer with an indicated contingency of an involuntary exchange by means of a filing under Chapter 11 of the United States Bankruptcy Code; and

ii. Alexander Greene was (i) Chair of the board of directors at Modular Space Holdings Inc. in December 2016 when it underwent a financial restructuring under Chapter 11 of the United States Bankruptcy Code, from which it emerged in March 2017; and (ii) a Manager at Pioneer Holding Company, LLC (“Holdings”) when Trident Holding

Company, LLC and its related entities, including Holdings, filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in February 2019.

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

Majority Voting Policy

Element has adopted a majority voting policy. Pursuant to the policy, shareholders vote for the election of individual directors at each annual meeting of shareholders, rather than for a fixed slate of directors. Further, in an uncontested election of directors at an applicable meeting of shareholders, the votes cast in favour of the election of a director nominee must represent a majority of the shares voted and withheld for the election of the director. If that is not the case, that director must immediately tender his or her resignation to the Chair of the Board (the "Chair") following the applicable meeting of shareholders. A director who tenders his or her resignation under this policy may not participate in any meeting of the C&CG Committee or the Board at which the resignation is considered. The C&CG Committee will consider such tendered resignation and recommend to the Board the action to be taken with respect to such tendered resignation. Absent exceptional circumstances, the Board will accept such tendered resignation. In any event, the resignation will be accepted (or in rare cases rejected) within 90 days of the applicable meeting of shareholders. The Board will promptly disclose its decision, including reasons for its decision, via press release. The Corporation shall provide a copy of such press release to the TSX. If the Board determines not to accept the resignation, the press release must fully state the reasons for that decision. A copy of the Corporation's majority voting policy can be accessed on Element's website at www.elementfleet.com

Director Term Limits/Mandatory Retirement

Given the relatively short tenure of directors on the Board, we have not implemented term limits or a mandatory retirement age at this time. We will continue to consider this going forward, but in the interim are satisfied that our current rigorous evaluation process will ensure that all directors individually, and the Board as a whole, will continue to contribute and add value to Element.

Director Interlocks

The Board does not set a formal limit on the number of interlocking board memberships. The C&CG Committee reviews director interlock as part of its annual evaluation of director independence. As of the date hereof, Mr. Greene and Ms. Lamm-Tennant are members of the board of directors of Ambac Financial Group, Inc.

2019 Director Attendance

The attendance record for each individual director standing for re-election at the Meeting is set out in the director profiles above.

The C&CG Committee reviews the attendance record of each director as part of the nomination process. The Board will require a director to tender his or her resignation if such director did not meet a minimum attendance requirement (75% of meetings in a given year), subject to a review of extenuating circumstances for such director. All directors met the minimum attendance requirements in 2019.

Director Skills Assessment

The Board has constituted the C&CG Committee to conduct an annual assessment of the Board's performance, an assessment of each committee's performance, as well as that of each individual director. Through the Board evaluation process and ongoing monitoring of the needs of the Corporation, if additional expertise and skill sets are identified then the C&CG Committee will consider recruiting an additional director. Prospective new director nominees are interviewed by the Chair of the C&CG Committee and the Chair and considered by the entire C&CG Committee for recommendations to the Board as potential nominee directors.

The matrix below illustrates the mix of experience, knowledge and understanding possessed by the proposed director nominees in the categories that are relevant to the Corporation that enable the Board to better carry out its fiduciary responsibilities. While each of the proposed director nominees have skills and experience in a number of the following areas, the matrix below identifies the six categories that are most applicable to each nominee. The Board has a broad range of skills across all of these dimensions, evidenced by at least two directors including each skill in their top six selections.

	Andrew Clarke	**Paul Damp**	**David Denison**	**Jay Forbes**	**Keith Graham**	**Alexander Greene**	**Joan Lamm-Tennant**	**Rubin McDougal**	**Andrea Rosen**
Accounting / Finance	X	X			X	X	X	X	X
Business-to-Business	X	X		X				X	
Business Transformation			X	X	X	X		X	X
Capital Markets Financing	X				X	X		X	X
Credit Risk Management						X		X	X
Enterprise Risk Management	X	X	X			X	X		
Human Resources & Compensation				X	X	X	X		X
Information Technology			X	X					
International Business		X	X				X	X	X
Mid/Large Company Senior Executive	X		X	X	X		X		
Operations Management		X	X	X					
Strategic Planning	X	X			X		X		

Director Compensation and Required Equity Ownership

Director compensation is set by the Board on the recommendation of the C&CG Committee and in accordance with director compensation guidelines and principles established by the C&CG Committee. Under these guidelines and principles, the Board seeks to maintain director compensation at a level that is competitive with director compensation at comparable companies, and requires a substantial portion of such compensation to be taken in the form of deferred share units ("DSUs").

The Board has established a formal equity ownership policy requiring that each non-employee director hold at least six times his or her annual retainer in Common Shares and/or DSUs based on the closing price of the Common Shares at the end of the most recently completed fiscal year. Based on the annual retainer for 2020 as set forth under "Directors' Compensation", the equity ownership requirement is equal to US$792,000 for directors and US$1,680,000 for the Board Chair (such amounts being equal to $1,028,650 and $2,181,984, respectively, based on the conversion rate from US dollars to Canadian dollars of 1.2988 as published by the Bank of Canada on December 31, 2019. Each director is required to comply with this equity ownership requirement by no later than six years from the date of becoming a director. In addition, each non-employee director is required to hold at least 5,000 Common Shares by no later than one year from the date of becoming a director. Until the foregoing minimums are achieved, a director must take all remuneration paid to him or her in the form of DSUs, subject to certain restrictions imposed during blackout periods. All directors are currently in compliance with the equity ownership policy. The details of each director's equity ownership are set forth in their biography above.

Effective January 1, 2014, the granting of Options to non-employee directors under the Option Plan was discontinued. At the Corporation's 2017 annual meeting, shareholders approved an amendment to the Option Plan to codify this practice by removing non-employee directors as eligible participants under the Option Plan. The Corporation has decided not to seek re-approval of the Option Plan at the Meeting. As a result, the Corporation will not be granting any new Options under the Option Plan. Additionally, options which have not been allocated and options which are outstanding and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue unaffected. Directors may elect to take their annual retainer, in addition to chair retainer and committee fees and meeting fees, in the form of cash, DSUs or a combination of both once ownership guidelines are met.

Directors' Compensation

The C&CG Committee and the Board approved a reduced director compensation package for fiscal year 2017. After reviewing Element's share price performance in 2017, the C&CG Committee and the Board approved a further reduction in director compensation for fiscal year 2018 to reflect the Board's commitment to aligning pay with performance. For fiscal year 2019, the C&CG Committee and the Board approved the payment of director compensation for non-executive directors in US dollars to be consistent with the currency in which the Corporation primarily conducts business and to harmonizes compensation across directors who bring a global, diverse set of skills and experiences.

Fee Description[1][2]	2017 Amounts[3]	2018 Amounts[4][5]	2019 Amounts[6]
Annual Board Chair Retainer	$350,000	$280,000	$372,960
Annual Board Retainer	$165,000	$132,000	$175,824
Committee Member Retainer	$20,000	$20,000	$19,980
Committee Chair Retainer	$35,000	$35,000	$46,620
Meeting Fee	nil	nil	nil

(1) 50% of the directors' compensation is payable in DSUs and directors may elect to take the remainder of their annual compensation in the form of DSUs and/or cash, provided that new directors must receive DSUs until they comply with the shareholding requirements of the Corporation's equity ownership policy for directors.

(2) Directors may also receive further retainers and meeting fees for participation on ad hoc committees.

(3) Effective January 1, 2017, the Board approved reduced director compensation for non-executive directors of the Corporation.

(4) Effective January 1, 2018, the Board approved an additional reduction in director compensation for non-executive directors of the Corporation.

(5) In 2018, Andrew Clarke, Alexander Greene, Joan Lamm-Tennant, William Lovatt, and Rubin McDougal received the equivalent U.S. dollar value which was paid in DSUs.

(6) As noted above, in 2019 the C&CG Committee and the Board approved the payment of director compensation for non-executive directors in US dollars. As of January 1, 2019, (i) the Annual Board Chair Retainer was set at US$280,000, (ii) the Annual Board Retainer was set at US$132,000, (iii) the Committee Member Retainer was set at US$20,000 and (iv) the Committee Chair Retainer was set at US$35,000. Effective May 6, 2019, the Board approved a reduction in the committee member retainer from US$20,000 to US$15,000. Amounts in the table are stated in Canadian dollars based on the conversion rate of 1.332, being the average exchange rate for director payments in 2019.

Director compensation will remain the same for fiscal year 2020.

The following table sets forth all amounts of compensation earned by non-executive directors of the Corporation for fiscal year 2019.

Name[1]	Cash fees earned ($)	Option-based awards ($)	Share-based awards[2] ($)	Total ($)
Andrew Clarke	—	—	211,120	211,120
Paul Damp	—	—	222,477	222,477
David Denison	—	—	402,854	402,854
Keith Graham	—	—	211,120	211,120
Alexander Greene	—	—	211,120	211,120
Rubin McDougal	—	—	215,427	215,427
Andrea Rosen [3]	—	—	139,677	139,677
Joan Lamm-Tennant	—	—	222,477	222,477
William Lovatt [4]	—	—	87,891	87,891

(1) Compensation paid to Chief Executive Officer Jay Forbes is set out under the heading "Compensation Discussion and Analysis – Summary Compensation Table".

(2) DSUs were issued to directors based on the 10-day volume weighted average price of the Common Shares preceding the grant date, as per the terms of the Corporation's Deferred Share Unit Plan.

(3) Shareholders elected Andrea Rosen as a director at last year's Annual General Meeting on May 8, 2019.

(4) William Lovatt did not stand for re-election at last year's Annual General Meeting on May 8, 2019.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based (DSU) awards outstanding as of December 31, 2019 for all non-executive directors of the Corporation.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards not paid out or distributed(1) ($)**
Andrew Clarke	-	-	-	-	-	-	$394,216
Paul Damp	-	-	-	-	-	-	$1,021,090
David Denison	-	-	-	-	-	-	$473,033
Keith Graham	-	-	-	-	-	-	$386,220
Alexander Greene	-	-	-	-	-	-	$394,216
Joan Lamm-Tennant	-	-	-	-	-	-	$1,830,493
William Lovatt	-	-	-	-	-	-	$2,481,376
Rubin McDougal	-	-	-	-	-	-	$431,035
Andrea Rosen	-	-	-	-	-	-	$148,395

(1) The market or payout value of DSUs that are payable after the director resigns from the Board and the noted amount is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).

Value Vested or Earned During the Year

The table below sets out all Element Options and DSUs held by non-executive directors of the Corporation that vested or earned but have not been paid out as of December 31, 2019.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)(1)
Andrew Clarke	-	211,120
Paul Damp	-	222,477
David Denison	-	402,854
Keith Graham	-	211,120
Alexander Greene	-	211,120
Joan Lamm-Tennant	-	215,427
William Lovatt	-	139,677
Rubin McDougal	-	222,477

Andrea Rosen	-	87,891

(1) Share awards are the DSUs awarded in 2019. DSUs are paid out in cash only after the director retires from the Board.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

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

Board of Directors

The Board is currently comprised of nine directors: David Denison, Paul Damp, Andrew Clarke, Keith Graham, Alexander Greene, Joan Lamm-Tennant, Andrea Rosen, Jay Forbes, and Rubin McDougal. Independent director and Chair of the Board David Denison was appointed to the Board on December 14, 2018 and assumed the role of Chair on January 1, 2019. As detailed under "Matters to be Acted Upon – 2. Election of Directors", if the director nominees are elected at the Meeting, the Board will be comprised of nine directors, eight of whom are independent.

The primary function of the Board is to provide governance and oversight of the business; more specifically, the strategic planning process, risk management, executive succession planning, disclosure policy, internal controls, corporate governance, executive compensation, director compensation and material transactions and contracts. The Board is also responsible for the hiring, onboarding and annual evaluation of the Chief Executive Officer and similarly, the director composition, skillsets and experience. The Board has established an Audit Committee, the C&CG Committee and a Credit & Risk Committee (the "C&R Committee"). The Board has delegated to the applicable committee those duties and responsibilities set out in each committee's mandate. From time to time, the Board may appoint *ad hoc* committees to assist it in handling specific matters. Where such *ad hoc* committees are established, the Board delegates a specific mandate to such *ad hoc* committee.

Audit Committee

The Audit Committee is comprised of four directors of the Corporation, Paul Damp (Chair), Keith Graham, Alexander Greene and Andrew Clarke, each of whom is considered to be independent and financially literate for purposes of NI 52-110. The primary mandate of the Audit Committee is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders and the investment community, to oversee the work and review the qualifications and independence of the external auditors of Element, to review the financial statements of Element and public disclosure documents containing financial information and to assist the Board with the legal compliance and ethics programs as established by management and by the Board and as required by law.

The responsibilities of the Audit Committee are set out in the Corporation's Audit Committee Charter, the text of which is included as Appendix A to the Corporation's Annual Information Form dated March 23, 2020, a copy of which is available on SEDAR at www.sedar.com. Please refer to the section entitled "Audit Committee" contained therein for further information.

C&CG Committee

The C&CG Committee is currently comprised of four directors, Joan Lamm-Tennant (Chair), David Denison, Keith Graham and Andrea Rosen, each of whom is considered to be "independent" as defined in NI 58-101. The C&CG Committee conducts its business on the basis of majority approval, which encourages an objective process for determining compensation.

The members of the C&CG Committee are appointed annually by the Board, and each member of the C&CG Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Ms. Lamm-Tennant, Mr. Denison, Mr. Graham and Ms. Rosen have several years of direct experience with the design, implementation or oversight of compensation programs that is relevant to their responsibilities on the C&CG Committee and that they draw upon to make decisions on the suitability of the Corporation's compensation policies and practices. Mr. Denison is a director of the Royal Bank of Canada and Bell Canada, as well as a past Chair of The Canadian Coalition for Good Governance, and has served in numerous leadership roles in both the public and private sectors. Ms. Lamm-Tennant is the Chief Executive Officer of Blue Marble Microinsurance, a microinsurance venture incubator formed in January 2016, is a director of Ambac Financial Group, Inc., a publicly traded company in the United States, and has extensive experience with compensation matters. In addition to several years as a senior executive who advised on compensation objectives, Mr. Graham was closely involved in compensation decisions during his tenure as a director of Redknee Solutions Inc. Ms. Rosen is a director of Ceridian HCM Holdings Inc., Manulife Financial Corporation and Emera Inc. and has extensive experience dealing with compensation matters.

The primary mandate of the C&CG Committee with respect to compensation is to approve strategic objectives relevant to the business and reinforce compensation principles through its pay for performance decisions, as it pertains to performance assessment and compensation of the Directors, CEO and executives (as recommended by the CEO). The actions that the C&CG Committee takes to fulfil its responsibilities in developing the Corporation's approach to compensation, include, among other things: (a) reviewing and approving the compensation peer group; (b) evaluating performance; (c) reviewing pay for performance alignment; (d) reviewing and approving the Corporation's annual salary budget and incentive plan pool; (e) reviewing and evaluating the Corporation's compensation programs; and (f) consulting with independent compensation advisors. The primary mandate of the C&CG Committee with respect to corporate governance is to assess the effectiveness of the Board, of committees of the Board and of the directors of the Board, to recommend to the Board candidates for election as directors and candidates for appointment to Board committees, to oversee the Corporation's executive succession planning and to advise the Board on enhancing Element's corporate governance through a continuing assessment of Element's approach to corporate governance. The actions that the C&CG Committee takes to fulfil its responsibilities with respect to corporate governance, include, among other things: (a) conducting periodic reviews of the Corporation's corporate governance policies; (b) reviewing the Corporation's public disclosure in respect of corporate governance; (c) reviewing the mandate of the Board and each committee of the Board; (d) ensuring that the Board and each of its committees function independently of management; and (e) monitoring for any real or perceived conflicts of interest of both the Board and management.

C&R Committee

The C&R Committee is currently comprised of four directors, Rubin McDougal (Chair), Alexander Greene, Andrew Clarke and Andrea Rosen. Each of Mr. McDougal, Mr. Greene, Mr. Clarke and Ms. Rosen are considered to be "independent" under NI 58-101.

The primary mandate of the C&R Committee is to assist the Board in fulfilling its oversight responsibilities with regard to the performance and quality of the Corporation's credit portfolio, major risks inherent in the Corporation's business activities and the Corporation's enterprise risk management framework.

Independence of the Board

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Guidelines, with specific reference to the independence criteria set forth in sections 1.4 and 1.5 of NI 52-110.

The Board is currently comprised of nine members, a majority of whom are "independent directors" within the meaning of NI 58-101. The eight independent directors are currently David Denison, Paul Damp, Andrew Clarke, Keith Graham, Alexander Greene, Joan Lamm-Tennant, Andrea Rosen and Rubin McDougal. Mr. Forbes is not independent for the purposes of NI 58-101 because he is a member of management of Element. If the proposed nominees are elected to the Board (see "Matters to be Acted Upon – 2. Election of Directors"), the Board will be comprised of nine members, consisting of eight independent directors as well as Mr. Forbes, who is not independent for the purposes of NI 58-101.

Independent Chair

The roles of the Chair and Chief Executive Officer are separate. The Chair is independent and responsible for the management, development and effective functioning of the Board and provides leadership in every aspect of its work. The position description for the Chair sets out the Chair's key responsibilities, which include setting the Board meeting agenda in consultation with the other members of the Board and the Chief Executive Officer and chairing all Board meetings. The Chair provides leadership to the directors and ensures the Board is independent from management. The Chair and each committee can also engage outside consultants without consulting management. This helps ensure they receive independent advice as they feel necessary. The Corporation does not provide the Chair with a second or casting vote in the event of a tie vote at Board meetings.

Meeting in-camera

The Board and Board committees meet without management and non-independent directors at the end of all meetings and, in some cases, at the beginning of meetings. These discussions generally form part of the committee chairs' reports to the Board. The Chair encourages open and candid discussions among the independent directors by providing them with an opportunity to express their views on key topics before decisions are taken. Independent consultants and/or advisors to the Board may be invited to attend a portion of the in-camera to address questions of the committee and/or Board.

Executive Succession Planning

The C&CG Committee (with the advice of the Chair) has primary oversight of executive succession planning. The C&CG Committee annually reviews succession and development plans for the Chief Executive Officer and key executive roles. An emergency contingency plan has been adopted by the C&CG Committee and the Board that contemplates a scenario in which the Chief Executive Officer suddenly and unexpectedly is unable to perform his duties for an extended period.

Board Mandate

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

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

Position Descriptions

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

Diversity and Inclusion

Board of Directors

The Board recognizes the benefits that diversity and inclusion bring to the successful growth and profitability of the Corporation. The Board aims to be comprised of directors who have a range of relevant professional skills, leadership and industry experiences and global and market insights. This belief in diversity and inclusion is reflected in a written Diversity Policy adopted by the Board.

The Board is committed to ensuring that women, in particular, are represented on the Board. Per the Corporation's written Diversity Policy, the Corporation aspires to a Board composition in which each gender comprises a minimum of 30% of all independent directors of the Corporation by the Corporation's annual general meeting to be held in 2021. The C&CG Committee has emphasized the Board's commitment to the recruitment of women to its Board by making the identification of candidates who are women a key search criterion in the director selection and nomination process.

Following the Meeting and assuming that all nominees for director are elected, two of eight independent directors (25%) on the Board will be women.

Management

Element believes that a diversity of skills, experiences and a culture of inclusion helps to create a productive and dynamic workplace, which improves overall business performance. Element recognizes the value of ensuring that the Corporation has leaders who are from diverse backgrounds and consider all dimensions of diversity, including gender and non-gender representation. The Corporation prides itself on developing its employees and providing them with opportunities to build their capabilities, learn on the job and progress their careers. To support the Corporation's diversity and inclusion objectives, the C&CG Committee, Chief Executive Officer and executive leadership team will, when considering, recommending and reviewing recommendations for the appointment of candidates for senior leadership positions:

i. consider diversity criteria, including, but not limited to, the level of representation of women, when determining executive role profiles, candidate selection and composition of senior leadership;

ii. identify, support and develop employees with leadership potential; and

iii. implement policies to address impediments to diversity and inclusion in the workplace.

As of April 2, 2020, one of the ten (10%) Corporation executives and 33% of vice-presidents are women. In addition, approximately 50% of the employees that have been identified as "high potential" are women. As of the date hereof, Element has not adopted a target for the number of women in executive officer or vice-president roles. Element will, however, continue to evaluate the appropriateness of adopting targets in the future.

Orientation and Continuing Education

As set out in the Board Mandate, Element has a policy of making a full orientation and continuing education process available to Board members. All new directors are provided with an orientation regarding the nature and operation of Element's business and the affairs of Element and as to the role of the Board and its committees, as well as the legal obligations of a director of Element. Existing directors are periodically updated on these matters.

In order to orient new directors as to the nature and operation of Element's business, they attend planned onboarding sessions at which time they meet with key members of the management team to discuss Element's business and activities. In addition, new directors receive copies of Board materials, corporate policies and procedures, and other information regarding the business and operations of Element.

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

The Corporation routinely provides directors with ongoing continuous education and Board members regularly participate in training exercises on various aspects of Element's operations and business model. In 2019, the Board participated in the following sessions: (i) three teleconferences providing an in-depth review of the fleet management industry in the United States and Canada and Element's competitive position; (ii) a review of the fleet management industry in Australia & New Zealand and the history of Element's operations in those jurisdictions; (iii) an overview of the fleet management industry in Mexico; (iv) a review of capital markets and Element's capital allocation alternatives with a representative from a leading bank; (v) a discussion of the ESG landscape with representatives with relevant expertise from two large shareholders; (vi) an analysis of Element's information technology systems and improvement plans; and (vii) a detailed review of Element's key transformation initiatives, including how they are identified and how their impact is measured.

Nomination of Directors

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

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code"), a written code of business conduct and ethics for the Corporation's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Corporation has established confidential reporting procedures, including an anonymous hotline, in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. Concerns about the Code can also be raised with the Chair of the Board via email at ddenison@elementcorp.com or the Chair of the Audit Committee via email at paul.damp@elementcorp.com. Employees who violate the Code may face disciplinary actions, including dismissal.

The Code is designed to deter wrongdoing and promote honest and ethical conduct; avoidance of conflicts of interests; confidentiality of corporate information; protection and proper use of corporate assets and opportunities; compliance with applicable governmental laws, rules and regulations; prompt internal reporting of any violations of the Code; accountability for adherence to the Code; and Element's culture of honesty and accountability. A copy of the Code is available on Element's website at www.elementfleet.com and may be obtained by contacting Element and requesting a copy from its investor relations contact or by mail at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

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

In addition to the Code, Element has a comprehensive Insider Trading Policy which prohibits officers, directors, and employees of Element and its subsidiaries, and certain persons related to any such persons, from, at any time whether directly or indirectly, short selling a security of Element or any other arrangement that results in a gain only if the value of Element's securities declines in the future, and which prohibits officers, directors and employees from hedging against Element securities.

Board and Committee Assessment

The C&CG Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Each director is required to complete a detailed questionnaire on an annual basis which includes: (i) individual self-assessments by the directors; (ii) assessment of the Board and committee performance and effectiveness; and (iii) an assessment of peer performance at the Board level and at the committee level. Completed questionnaires are collected by the Corporation's General Counsel who compiles the results and provides an analysis to the Chair. The Chair then holds individual meetings with each director to discuss the results of the assessment. The analysis is also presented to the C&CG Committee which makes recommendations to the Board to improve the effectiveness of the Board in light of the results of the annual performance evaluation.

MESSAGE FROM THE CHAIR OF THE COMPENSATION & CORPORATE GOVERNANCE COMMITTEE & THE CHAIR OF THE BOARD OF DIRECTORS

Dear Fellow Stakeholders,

On behalf of the Board and the Compensation and Corporate Governance Committee, we are pleased to share with you highlights of Element's 2019 performance, CEO compensation decisions and key changes to the executive compensation programs for 2020. Element continues to align compensation programs and outcomes to business results, reinforcing pay for performance, and the creation of long-term sustainable shareholder value.

2019 – A year of remarkable progress

2019 was a year of outstanding performance across Element. When Jay Forbes joined Element as the President & CEO in June 2018, he completed a strategic review of the business, formed a new leadership team, and announced a new strategy focused on three key objectives – transforming the business, repositioning the Corporation's interest in the 19th Capital Group, LLC ("19th Capital") joint venture, and strengthening the balance sheet. At the end of 2019, Element is 2/3 of the way through its transformation journey and on track to successfully complete the transformation by the end of 2020.

The Balanced Scorecard (BSC) was implemented in 2019 to align Element's global team and is a distillation of Element's strategy, driving a singular focus – to deliver a consistent, superior client experience. The BSC is an effective tool to drive clarity of accountability and engage employees to focus on what matters most for Element's stakeholders. Over the course of 2019, Element has stabilized its operating platform and strengthened its balance sheet while re-building trust with clients, investors and employees. Element exceeded every ambitious target that it set for the core fleet business, outperforming on nearly half of them.

With all of the success in 2019, we would be remiss if we didn't mention key decisions and impact relating to 19th Capital. Management initiated a formal process to expedite the sale of 19th Capital in the fourth quarter; however, has been unsuccessful in securing a sale on acceptable terms. Addressing the potential for future associated financial risk to Element, the Corporation recorded a charge of $194 million after-tax, against the remaining non-core assets. Element's focus is now on accelerating the run-off of 19th Capital.

Pay for Performance

In 2019, management and the Board took steps to better align compensation with the long-term interests of shareholders. Our Board developed a compensation philosophy that ensures alignment with shareholders and business strategy, and reinforces the strong linkage between performance and pay.

The Short-term and Long-term Incentive Plans that were put in place in 2019 reinforced this philosophy and aligned the executives and broader organization with Element's strategic objectives and the creation of long-term sustainable shareholder value. The Short-term Incentive Plan was directly tied to the BSC, with the CEO and other NEO's aligned to relevant metrics with at least 50% based on financial results, providing strong alignment of pay with performance. The NEOs received Long-term Incentives in the form of Performance Share Units which was tied to

Total Shareholder Return against the S&P/TSX Composite Index, aligning with the interests of shareholders.

CEO Compensation

Effective January 1, 2019 the Board approved an increase to the CEO's salary (from $800,000 to $1,000,000) in recognition of Mr. Forbes' significant leadership and achievement of critical milestones since his appointment. This brought his 2019 total target compensation to $4,000,000, aligning with the median of the competitive market. For 2020, the Board approved no change to his target compensation.

In 2019 Mr. Forbes led the organization in a year of significant transformation that saw strategic clarity and focus through the Balanced Scorecard, outstanding performance against ambitious targets, and top quartile stock price performance. Moreover, the team under Mr. Forbes leadership achieved the following results:

- Delivered on commitments to one large, fast-growing client and earned the right to continue the partnership in 2020
- Rapidly scaled syndication capabilities, generating $90M in profitable syndication revenue
- Actioned $83M in new profitability improvements and delivered $70M of in-year savings that will continue into 2020 and beyond
- Increased employee engagement as management shifted Element's culture, promoting accountability, transparency and client centricity
- Rebuilt investor confidence by improving profitability, with annual operating income up by 35% YoY and decreasing financing risk, with tangible leverage ratio down by 8.7% YoY

Since announcing Mr. Forbes' appointment in mid-2018, the market capitalization of the Corporation has significantly increased in value to approximately $4.8 billion as of December 31, 2019.

Based on the CEO's weightings against 6 key objectives on the BSC, his STIP award was 179% of target. There is no discretion in the determination of the CEO's STIP award which is solely tied to outcomes against pre-defined BSC objectives.

Compensation Program Changes and Governance Enhancements

To align the compensation philosophy and create a tighter link between pay and performance, the C&CG committee approved the following changes to the incentive plan design and governance for 2020:

- The 2020 LTIP grants for the CEO & other NEOs will be in the form of 75% PSUs & 25% RSUs (compared to 100% PSUs in 2019).
  - The PSU payout range has been widened (to 0% to 200%) to eliminate the 50% floor utilized in the 2019 plan design.
- Amended the Share Unit Plan to incorporate a double trigger provision and provide for Board discretion, upon a change in control.
- Enhanced equity ownership requirements for the CEO to 5x salary and for the CFO and COO to 3x salary, and implemented 1x salary requirement for all other executives; each is also required to own a minimum of 5,000 Common Shares as part of their ownership requirement.

Commitment to Our Stakeholders

The C&CG Committee and the Board believe Element's compensation policies and programs are prudent and consistent with fundamental pay-for-performance principles, and we are committed to reinforcing strong governance and oversight of the executive pay practices at Element.

In 2020, the Board will continue to engage with you, Element's stakeholders, and carefully consider your ongoing feedback as well as the outcome of this year's advisory vote on executive compensation. We remain committed to developing pay practices that incent the appropriate behaviors, and deliver results that enhance long-term shareholder value.

Shareholders may contact the Board by mail to David Denison, Chair of the Board, at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1 or by email to ddenison@elementcorp.com or Joan Lamm-Tennant, Chair of the Compensation and Corporate Governance Committee by email at joan.lamm-tennant@elementcorp.com.

Sincerely,

Joan Lamm-Tennant
Chair of the Compensation and Corporate Governance Committee

David Denison
Chair of the Board

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion describes the significant elements of the Corporation's executive compensation program, with particular emphasis on the process for determining compensation payable to the Corporation's named executive officers ("NEOs") for fiscal year 2019. The following also summarizes certain material changes that have been approved for the executive compensation program in 2020.

Our NEOs for fiscal year 2019 were:

Named Executive Officers for 2019	
Jay Forbes	President & Chief Executive Officer
Vito Culmone	Executive Vice President & Chief Financial Officer
Jim Halliday	Executive Vice President & Chief Operating Officer
Karen Martin	Executive Vice President & Treasurer(1)
Vineet Gupta	Executive Vice President, Chief Technology Officer

(1) Karen Martin retired as Executive Vice President & Treasurer of the Corporation effective as of December 31, 2019.

Our Approach to Compensation

Our total rewards program is built around paying for the performance and behaviours that will drive sustainable performance and long-term value to our shareholders. It is designed to be market competitive in order to attract, motivate, and retain talent. Element's compensation philosophy is based on the following principles:

Align with business strategy	• Link total rewards directly to Element's Balanced Scorecard results through the design of the incentive programs and management of individual performance assessments
Pay for performance	• Reward for delivery on Element's strategic, financial, and operational key performance indicators over multiple time horizons, with emphasis on long-term sustainable results and alignment with shareholder value creation • Enable managers to reinforce a clear and constant link between performance expectations and pay decisions
Reasonable & non-excessive	• Apply the appropriate safeguards to ensure compensation is reasonable and aligned to Element's financial and market performance
Competitive	• Enable Element to attract, retain, and motivate the right talent, with the flexibility to reward critical talent appropriately • Target total compensation near 50th percentile for expected levels of performance, with the opportunity to pay above or below market based on performance and role

Compensation Structure and Decision-Making Process

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

Feedback loop

At the Beginning of the Year (“Look Forward”)	• Review compensation philosophy, program design and peer group and recommend any changes to the C&CG Committee for approval • Establish target compensation levels for the coming year (based on a review of the competitive market) • Establish objectives and performance measures for the coming year • Recommend any plan design changes to ensure continued alignment with business strategy • Engage with independent advisor to understand any regulatory and market changes
During the Year (“Monitor and Assess”)	• Monitor business performance against strategic objectives via regular management and board updates • Continue to assess whether results are achieved with a balanced approach to risk • Review alignment of projected compensation outcomes to performance and the creation of long-term shareholder value to ensure compensation plans are operating as intended
At the End of the Year (“Look Back”)	• Review performance against goals and objectives, determine compensation plan outcomes, and assess alignment of pay and performance • CEO recommends compensation awards for each NEO based on performance against scorecard metrics and their overall contribution for the C&CG Committee’s approval • The C&CG Committee recommend compensation for the CEO to the Board for approval

The C&CG Committee and Board believe the above process is comprehensive in providing market intelligence and data to the C&CG Committee, while providing multiple opportunities for the C&CG Committee and Board to review performance and corresponding compensation levels to ensure the approach and awards remain appropriate. The Board has in the past applied discretion to waive year-end incentive awards based on its review of performance, in conjunction with both internal and external market conditions, as well as share price performance.

Use of Independent Compensation Consultants

The C&CG Committee engages a third party independent advisory firm to review compensation levels and understand trends and best practices with respect to compensation good governance and executive program design. In July 2019, the C&CG Committee engaged Hugessen Consulting (Hugessen) as an independent advisor to assist with executing these responsibilities for the remainder of the year and for 2020.

Hugessen provides independent advice to the C&CG Committee on the following topics: CEO compensation benchmarking, trends in executive compensation and governance, incentive plan design, peer group development, pay for performance alignment simulation testing, shareholder and proxy advisor engagement and proxy disclosure. Hugessen is directly accountable to the C&CG for all board-related compensation work.

Willis Towers Watson (“WTW”) was accountable to the C&CG for all board-related compensation work until July 2019 (prior to Hugessen’s engagement) & provided the following services in 2019 to the C&CG Committee:

- led the review of CEO pay compared to the market
- conducted director compensation benchmarking analysis
- provided assistance in preparing last year's proxy circular
- conducted pay for performance alignment simulation testing
- provided trends and best practices guidance on incentive plan design

Some of the work completed by WTW in 2018 and 2019 is categorized as "all other fees" in support of the Chief People Officer and providing interim resources and expertise to deliver on commitments to the C&CG Committee, including assisting in the redesign of the sales incentive compensation plan. WTW will continue to be engaged by management of the Corporation on non-board-related items including market data, employee compensation structures and sales compensation.

Independent compensation advisor fees incurred in the last two completed fiscal years are as follows:

Advisor	**Executive Compensation-Related Fees**		**All Other Fees**	
	2019	2018	**2019**	2018
Hugessen Consulting	**$73,212**	Nil	**Nil**	Nil
Willis Towers Watson	**$120,028**	$147,140	**$158,433**	$250,291
Global Governance Advisors(1)	**Nil**	$19,200	**Nil**	Nil

(1) GGA had been the independent advisor to the C&CG Committee since 2011, providing market data, trends and best practices and advisory support. In 2018, services included a review of the proxy circular to confirm new plan design was properly reflected, and an analysis of comparator CEO pay levels to support 2017 bonus recommendations.

Benchmarking Compensation and Comparator Peer Group

The C&CG Committee reviews market data on an annual basis to ensure the competitiveness of pay for our Named Executive Officers. In doing so, the C&CG Committee reviews a report of target compensation for executive roles at other companies within our defined peer group and ensures alignment of executive compensation with the target pay position.

In 2018, significant work was undertaken in determining an appropriate peer group for Element. Element's scale, complexity and geographic scope made it unique relative to potential Canadian peers. Consequently, the C&CG Committee assembled a peer group in November 2018 for compensation benchmarking purposes that better reflects the Corporation's business model, risk profile and likely source of competition for talent.

It was determined that two discrete proxy peer groups (one of Canadian-based organizations and one of US-based organizations) would be developed and then blended appropriately depending on the role. US-based organizations are relevant, as approximately 75% of revenue comes from US Operations. In addition, the majority of our staff is in the US including one of the NEOs.

Criteria used to select proxy peers included:

i. publicly-traded companies headquartered in each country, operating in related industries (e.g., consumer finance, regional banks, trucking, and trading companies and distributors); and

ii. companies of a similar size, primarily based on assets, and in consideration of revenue and market capitalization.

There was no change to the peer groups used for the purposes of benchmarking NEO compensation in 2019. Management will continue to assess the validity of the peer group on a regular basis.

Element's peer group for 2019 consisted of the following organizations:

Canadian Proxy Peer Group (Company Name and Primary Industry)		
Canadian Western Bank Regional Bank	**CI Financial Corp** Asset Management & Custody Banks	**Equitable Group Inc.** Thrifts and Mortgage Finance
Finning International Inc. Trading Companies and Distributors	**First National Financial Corporation** Thrifts and Mortgage Finance	**Genworth IM Canada Inc.** Thrifts and Mortgage Finance
Home Capital Group Inc. Thrifts and Mortgage Finance	**IGM Financial Inc.** Asset Management & Custody Banks	**Laurentian Bank of Canada** Regional Bank
TFI International Inc. Trucking		

U.S. Proxy Peer Group (Company Name and Primary Industry)		
Air Lease Corporation Trading Companies and Distributors	**Associated Banc-Corp** Regional Bank	**Bank United Inc.** Regional Bank
BOK Financial Corporation Regional Bank	**Knight-Swift Transportation Holdings Inc.** Trucking	**Ryder System, Inc.** Trucking
Synovus Financial Corp. Regional Bank	**TCF Financial Corporation** Regional Bank	**United Rentals Inc.** Trading Companies and Distributors
Wintrust Financial Corporation Regional Bank		

Compensation Risk Management and Good Governance Practices

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

Element's C&CG Committee continues to focus on strong governance practices as outlined below.

Sound pay practices at Element:

- Alignment of executive compensation with the creation of long-term shareholder value through having a high portion of compensation 'at-risk' and tied to the organization's share price
- Alignment of compensation program design with business strategy, with short-term incentive tied to Balanced Scorecard objectives
- Benchmark compensation against peer companies
- Ensure executive alignment with shareholder interests through Equity Ownership Requirements
- Board has the ability to claw back compensation in cases of financial re-statement or misconduct
- Periodic risk review of compensation plans
- Engage independent compensation consultants to assess our executive compensation programs
- Include caps on short-term and long-term incentive performance factors
- Annually hold a shareholder Say on Pay vote on our executive compensation practices
- Double trigger provision upon a change in control

We do not permit the following problematic pay practices:

- Hedging or monetizing of equity awards
- Re-pricing of stock options or granting of options below current market value
- Providing severance greater than two years upon a change in control
- Providing multi-year incentive compensation guarantees

Compensation Components

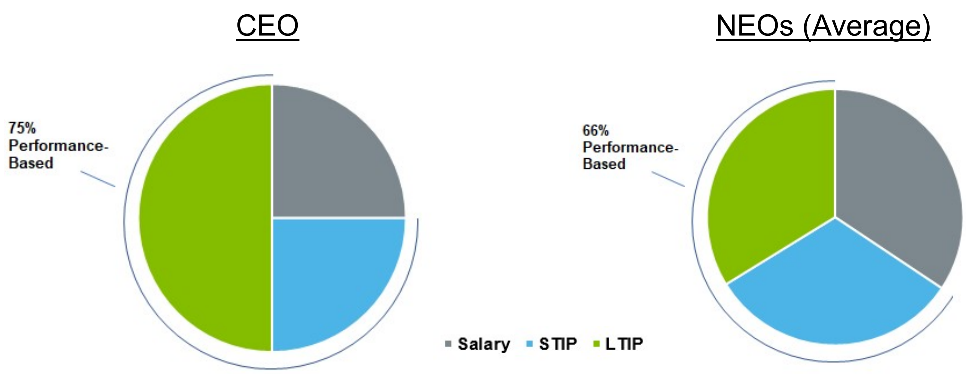
Total compensation for Element executives (including NEOs) is comprised of the components outlined in the table below. There are no pension or similar retirement plans at Element.

Component	Compensation Type	Objective	Description
Base Salary	Fixed	Attract and retain the right talent Provide market competitive compensation Reflects the role, skills and experience	Established with consideration for the Executive's performance, experience, and position in the Corporation, and relative to our peer group. Reviewed annually with increases in the event of change in role, responsibility or market
Short-term Incentive (STIP)	Performance-based Variable At-risk	Align pay with the achievement of annual goals and objectives Reward superior performance and provide competitive compensation Reward performance that supports the strategy and creates long-term value for shareholders Attract and retain the right talent	Target award is a percentage of base salary based on executive level and aligned with the competitive market. Awards are paid in cash following the determination of year-end performance. Bonuses are not paid unless a threshold level of performance is achieved. Awards range from 0% to 200% of target.
Long-term Incentive (LTIP)	Performance-based Variable At-risk	Align executives with medium- and long-term interests of shareholders Attract and retain the right talent	In 2019 NEOs were granted awards under the following plans: **Performance Share Units** PSUs with a three-year cliff vest. The performance factor is calculated based on the relatively total

Component	Compensation Type	Objective	Description
		Reward performance that is aligned to the creation of long-term value for shareholders Promote Executive share ownership Provide market competitive compensation	shareholder return (TSR) compared to the S&P/TSX Composite Index. **Restricted Share Units** Share Units vest annually over three years.
Benefits & Perquisites	Fixed	Attract and retain talent Align with the competitive market	Participation in Element's comprehensive group benefit plan (all employee plan). Certain NEOs also receive a taxable cash allowance for specific perquisites (not to exceed 10% of salary or $50,000). Employees also have the opportunity to participate in a group RRSP or 401(k). As at December 31, 2019, Element did not have a pension plan or any other plan that provides payment or benefits at, following or in connection with retirement.

Target Mix of Compensation Elements

As outlined in the graphs below, the majority of the target compensation for the CEO and other NEOs is variable and performance based, demonstrating alignment to business performance and long-term shareholder value.



2019 Performance and Pay

Base Salary

Base salaries are intended to provide Element's NEOs with competitive salaries. Element will differentiate salary levels to reflect a NEO's role, experience and responsibilities. Base salaries are reviewed annually and adjusted in response to a change in the market compensation for similar roles. Additionally, base salaries may be changed as warranted throughout the year for promotions or other changes in the scope of a NEO's role and responsibilities.

The CEO, with support from the C&CG Committee, decided not to increase NEO base salaries for 2020.

Named Officer	2019 Base Salary ($)
Jay Forbes	1,000,000
Vito Culmone	625,000
Jim Halliday(1)	703,257
Karen Martin	530,000
Vineet Gupta(2)	479,167

(1) Base salary of USD $530,000 converted to CAD using the average 2019 FX rate of 1.3269.

(2) Vineet Gupta's salary is pro-rated from his start date on January 16, 2019 to December 31, 2019. His annualized 2019 salary was $500,000.

Short-term Incentives – Annual Incentive

The 2019 STIP aligns to Element's Balanced Scorecard, assigning relative weightings to strategic objectives which in turn modify the annual incentive payout based on actual 2019 performance.

The Balanced Scorecard drives focus, clarifies accountability and creates a tighter linkage between performance and pay.

Actual STIP awards for the CEO and other NEOs are determined using the following formula:

Base Salary ($)	X	Target Bonus (% of salary)	X	Balanced Scorecard Result	=	**STIP Award ($)**

The CEO and other NEOs were assigned weightings across each of the four dimensions of the scorecard, with a minimum of 50% weighting on quantitative financial measures, as outlined in the table below. For 2019, all executives & employees within the Corporation, including the CEO, are measured on Balanced Scorecard performance with zero weighting on individual performance.

2019 Short-term Incentive Plan – Balanced Scorecard Results

For 2019, the compensation-tied metrics from the balanced scorecard and the respective weightings for the CEO and other NEOs are outlined in the table below. Weightings are assigned in order to ensure balance across metrics while providing adequate focus for the individual executive.

Dimension	Metric	CEO Weighting	Other NEOs Weighting			
			CFO	COO	Treas.	CTO
Our Clients	Operational Effectiveness Index	15%	10%	15%	0%	15%
	% of Clients Retained	15%	10%	10%	20%	10%
Our Business	Annual pre-tax run-rate profit improvement actioned	25%	25%	25%	20%	25%
	Operational efficiency index	0%	0%	20%	0%	20%
	Value realized on disposition of non-core assets	10%	15%	0%	10%	0%
Our People	Employee engagement index	10%	10%	10%	10%	10%
Our Investors	Adjusted Core EPS	25%	30%	20%	20%	20%
	Tangible leverage ratio	0%	0%	0%	20%	0%

The organization is focused on ES&G matters, and has incorporated several metrics into the BSC which align with these interests. Of those that are tied to compensation, Employee Engagement represents our focus on creating an engaged and accountable workforce within the organization and supporting our employees' contributions to their communities. Our focus on environmental issues is captured in our Global BSC as we work with our clients to identify cost savings including those associated with CO2 and emissions reductions as well as recommendations for green vehicles and managing fuel consumption.

2019 performance factors were based on audited results approved by the Board, compared to the 2019 threshold, target and outperform goals set by the Corporation and approved by the Board at the beginning of the year.

Dimension	Metric	2019 Actual Achievement	2019 Performance Factor
Our Clients	Operational Effectiveness Index	Outperform	2.00
	% of Clients Retained	Above Target	1.75
Our Business	Annual pre-tax run-rate profit improvement actioned	Outperform	2.00
	Operational efficiency index	Outperform	2.00
	Value realized on disposition of non-core assets	Above Threshold	0.78
Our People	Employee engagement index	Outperform	2.00
Our Investors	Adjusted Core EPS	Above Target	1.80
	Tangible leverage ratio	Above Target	1.30

2019 Short-term Incentive Awards for Named Executive Officers

Outstanding Element performance translated into a STIP performance factors of 1.79 for the CEO and between 1.65 and 1.94 for the NEOs, demonstrating a strong link between performance and pay. The performance factor for each NEO is based on their weightings across the BSC metrics as outlined above and is then multiplied by the individual's target in order to determine final STIP award.

The table below outlines the targets, performance factors, and final awards for each of the NEOs.

Named Officer	2019 STIP Target ($)	Performance Factor	2019 STIP Award ($)
Jay Forbes	1,000,000	1.79	**1,790,000**
Vito Culmone	625,000	1.73	**1,081,250**
Jim Halliday (1)	703,257	1.94	**1,364,319**
Karen Martin	530,000	1.65	**874,500**
Vineet Gupta (2)	359,589	1.94	**697,603**

(1) Target STIP of USD $530,000 converted to CAD using the average 2019 foreign exchange rate of 1.3269.

(2) Vineet Gupta's 2019 STIP award is pro-rated from his start date on January 16, 2019 to December 31, 2019. His annualized 2019 STIP award was $727,500.

2020 Element STIP

The 2020 Balanced Scorecard was approved by the Board in December 2019. It continues to drive focus, clarify accountability and create a tighter linkage between performance and pay. STIP weightings for the CEO and other NEOs continue to remain as a sub-set of all Balanced Scorecard objectives, based on their areas of focus and where they can have the greatest impact.

Similar to 2019, for each measure, results will be assessed against defined threshold, target, and outperform levels of performance which will determine the annual incentive payment for the CEO and NEOs for 2020 performance, payable in 2021.

Long-term Incentives

Long-term incentives are intended to align executive compensation to the attainment of shareholder value creation and provide a tool to strengthen executive retention. Performance Share Units (PSUs) and/or Restricted Share Units (RSUs) may be granted annually to executives based on their target award level, with some consideration for individual performance, allowing for a grant above or below target. As these incentives comprise the majority of a senior executive's total compensation, target award levels are benchmarked annually to ensure competitiveness with the external market.

PSUs and RSUs are phantom shares that fluctuate with the underlying price of the Common Shares, vest within three years and pay out at the end of the vesting period. PSUs are subject to the achievement of performance conditions and are designed to focus executives on key measures of business success.

2019 Long-term Incentive Awards for Named Executive Officers

The table below summarizes LTIP targets & grants for 2019 and the different vehicles and relative value. For 2019, the target LTIP mix for the NEOs was 100% PSUs. Vineet Gupta also received an on-hire grant of RSUs in 2019. The Board retains the discretion to award higher than target LTIP grants based on performance, potential, contribution and critical retention.

All 2019 LTIP grants to NEOs are summarized in the table below:

Named Officer	2019 Target LTIP Value ($)	2019 Total LTIP Grant Value ($)	PSUs (# granted)	RSUs (# granted)
Jay Forbes	$2,000,000	$3,000,000	382,000	0
Vito Culmone	$781,250	$800,000	101,867	0
Jim Halliday(1)	$703,257	$1,332,700	169,697	0
Karen Martin	$530,000	$530,000	67,487	0
Vineet Gupta(2)	$375,000	$675,000	47,750	38,200

(1) Received an LTIP grant of USD $1,000,000 converted to CAD using the FX rate of 1.3327 at the time of grant.

(2) Received an on-hire grant of $300,000 in RSUs.

No stock options were exercised by the CEO or other NEOs in 2019.

2019 Performance-based LTIP

The 2019 PSUs will vest at the end of 3-years according to the relative total shareholder return (rTSR) of Element compared to the S&P/TSX Composite Index, as follows:

Performance Level	Performance Hurdle (rTSR)	Performance Factor
Threshold & Below	P30 and Below	50%
Target	P60	100%
Maximum	P80 and Above	200%

The payout range is 50% to 200%. The 50% floor means that at least 50% of the number of units granted will vest. Performance in between minimum, target and maximum is interpolated. If Element's TSR is negative, performance is capped at threshold.

This plan design and the decision to provide 100% of the annual LTIP grant in PSUs was intended to transition from stock options and to incent the executives to drive shareholder value. In addition, the 50% floor provided retention (and ability to attract) during a period of greater uncertainty and risk. The challenging performance hurdles were established in order to incent performance aligned with the creation of long-term shareholder value.

Due to the business circumstances at the time, this was a specific 2019 design with the intention to evolve for 2020 (see below).

2020 Element Long-term Incentive Plan for Named Executive Officers

The 2020 LTIP grants for the NEOs will be 75% PSUs & 25% RSUs. The PSU payout range has been widened (to 0% to 200%) to eliminate the 50% floor utilized in the 2019 plan design. No changes were made to the performance metric (rTSR vs. S&P/TSX Composite), performance hurdles or vesting period for PSUs.

Additionally, the 2020 PSU design will continue to have the qualifier whereby if Element TSR is negative, payout is capped at threshold (50%) regardless of performance against the S&P/TSX Composite. Both RSUs and PSUs will have a 3-year cliff vest.

CEO & NEO 2020 LTIP Design	=	**Performance Share Units** 75% 3-year cliff vest 0 - 200% Payout	+	**Restricted Share Units** 25% 3-year cliff vest

Payment of 2017-2019 PSU Awards

In accordance with the Share Unit Plan, the 2017 PSUs vested on December 31, 2019. Actual performance relative to established objectives for the three-year performance period resulted in a payout factor of 97% of target. The table below reflects actual performance compared to the goals.

Performance Measure	Weighting (% of total)	Threshold	Target	Maximum	Score
3-Year TSR relative to select peers	25%	40P (0.25x)	65P (1x)	95P (2x)	0%
2017 Core EPS	25%	$0.69 (0.5x)	$0.73 (1x)	$0.77 (2x)	75%
2017 Non-Core EPS		$0.31 (0.5x)	$0.33 (1x)	$0.35 (2x)	0%
2018 Core EPS	25%	$0.622 (0.5x)	$0.655 (1x)	$0.688 (2x)	200%
2018 Core Revenue		$809 (0.5x)	$852 (1x)	$895 (2x)	124%
2019 Adjusted Core EPS	25%	$0.70 (0.5x)	$0.80 (1x)	$0.90 (2x)	180%
2019 Pre-tax Profit Improvement		$95MM (0.5x)	$100MM (1x)	$120MM (2x)	200%
				Overall Score	**97%**

Incorporating the impact of dividend equivalents received over the three-year performance period, the PSU performance at 97% of target and the fair market value of the Common Shares on the date of vesting, the actual payout value of the 2017 - 2019 PSU grants to NEOs were as follows:

Name	PSUs Granted in 2017		Value as of December 31, 2019		
	Number Granted	Value(1) ($)	Number of Accumulated PSUs(2)	Number of Accumulated PSUs times 97%	Payout Value ($)
Karen Martin	18,324	250,000	20,086	19,486	$215,593.10
Jim Halliday	22,759	310,500	24,950	24,204	$267,793.06

(1) Based on the fair market value (average closing price of stock on the 10 trading days prior to the date of grant) of the Common Shares on the TSX on the date of grant which, on March 13, 2017, was $13.64.

(2) Includes additional PSUs granted to reflect dividends (dividend equivalents) received over the three-year performance period.

(3) The payout value is determined by multiplying the total number of accumulated PSUs times the performance factor of 97% times the fair market value (average closing price of stock on the ten trading days prior to settlement) which, on December 31, 2019, was $11.064.

CEO Compensation – Jay Forbes

The C&CG Committee approved a compensation package for Mr. Forbes that is market competitive and aligns realized compensation to the successful attainment of the Corporation's strategic objectives.

The table below summarizes Mr. Forbes' total compensation for 2019.

Compensation Element	2019 Target Compensation	2019 Actual Compensation
Base Salary	$1,000,000	$1,000,000
Short-term Incentive	$1,000,000	$1,790,000
Long-term Incentive	$2,000,000	$3,000,000
Total Compensation	**$4,000,000**	**$5,790,000**

The CEO established personal objectives aligned to the organization's strategic objectives and Balanced Scorecard and provided regular progress updates to the Board throughout the year. Based on the significant progress the Corporation made in the advancement of its strategic objectives, Mr. Forbes short-term incentive factor was (per above) calculated as 1.79. Further, in recognition of the accomplishments in 2018 and the ambitious plans for 2019 and beyond, the Board exercised their discretion and granted long-term incentives at 150% of target.

Equity Ownership Requirements

In respect of the executives, the Corporation has adopted a formal equity ownership policy to ensure that senior executives of the Corporation acquire and hold a meaningful equity ownership interest in the Corporation. Executives governed by the policy include the CEO, CFO, Chief Operating Officer ("COO") and such other executives as designated by the C&CG Committee (which currently includes all executive vice presidents). Under the policy, each executive shall attain and maintain the following equity ownership levels in the Corporation:

Position	Multiple of Base Salary
CEO	5.0x
CFO and COO	3.0x
Other senior executives as determined by C&CG Committee	1.0x

The types of equity interests in the Corporation included in determining the value of equity ownership include Common Shares of the Corporation, unvested share units (50% of 2019 PSUs and 100% of unvested RSUs) and deferred share units (DSUs). 50% of the 2019 PSUs were included due to the "floor", however PSUs with a zero floor are not included.

In addition to the above requirements, each executive governed by the equity ownership policy must hold at least 5,000 Common Shares as part of meeting their equity ownership requirement.

Executives have five years from becoming subject to the policy to meet these requirements and shall have one year from any increase in base salary to achieve the incremental ownership requirement.

During a period when an executive has not achieved (or otherwise maintained) his or her ownership requirements, such executive shall be required to (i) retain 100% of such executive's Common Shares then held, and (ii) use 50% of the proceeds from any vested and paid out RSUs, PSUs or DSUs to purchase Common Shares, and (iii) use 50% of the value obtained through the exercise and sale of options to hold or purchase Common Shares.

When an executive has not achieved (or otherwise maintained) the Equity Ownership Requirement after the deadline, each Executive shall be required to (i) retain 100% of such Executive's Common Shares then held, and (ii) automatically have 50% of the Executive's annual incentive compensation paid in Common Shares or units until such Executive is in compliance with the Equity Ownership Requirement.

All executives are currently in compliance with the equity ownership requirements, either holding equity ownership interests which exceed the policy's requirements or in the process of attaining such equity ownership interests within the timeframe allotted.

The following table summarizes the NEOs subject to an equity ownership requirement, and the market value of common shares, RSUs and PSUs held which count towards the ownership requirement.

NEO	Minimum Equity Ownership Requirement	Equity Ownership Requirement in $	Meets Guideline?	Total Value Held(1)
Jay Forbes	5x salary	$5,000,000	Yes	$6,134,781
Vito Culmone	3x salary	$1,875,000	Yes	$2,104,760
Jim Halliday	3x salary	$2,109,771	Yes	$4,195,312
Karen Martin	1x salary	$530,000	Yes	$3,090,933
Vineet Gupta	1x salary	$500,000	Yes	$1,027,111

(1) Represents total number of Common Shares, RSUs and 50% of 2019 PSUs held by the NEO as at December 31, 2019. The market value of Common Shares & share units is based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).

Clawbacks

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

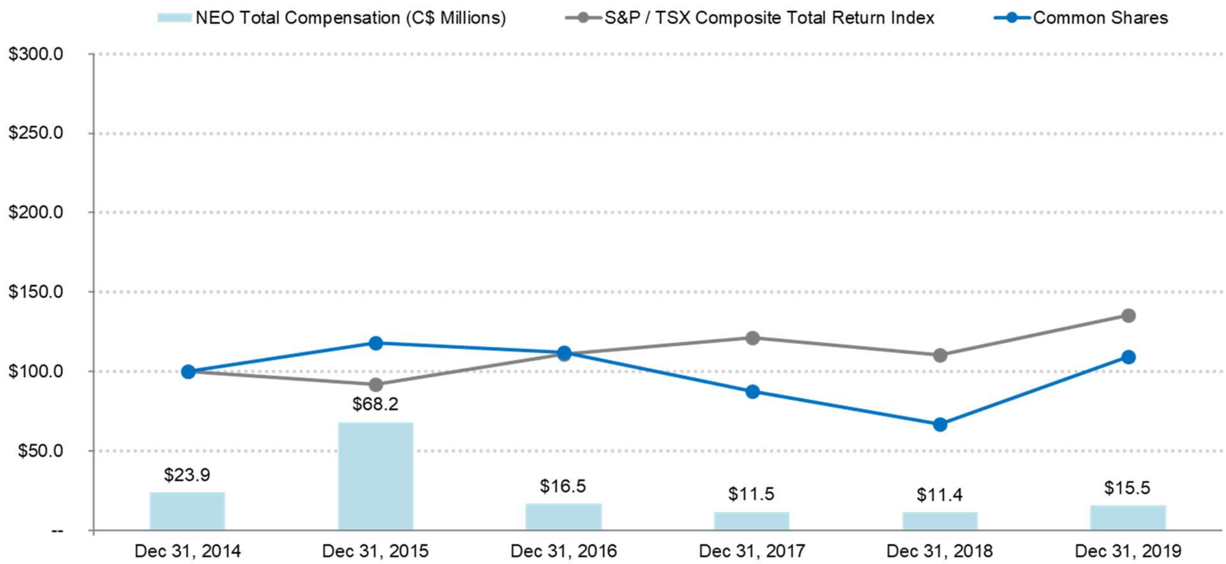
Anti-Monetization

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

Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in Common Shares (with any cash dividends reinvested into Common Shares) on the TSX with the S&P/TSX Composite Total Return Index for the period commencing December 31, 2014 and ending December 31, 2019.

Over the five most recently completed financial years (from December 31, 2014 to December 31, 2019), total shareholder returns for Element have increased by approximately 9%. During that same period, the total compensation received by Element's NEOs has substantially decreased. For 2019 specifically, overall compensation levels for Element's NEOs were $15.5M (up from $11.4M in 2018 and excluding any termination payments), reflecting strong alignment between pay and financial performance. Accordingly, total shareholder return, as shown in the performance graph below, is aligned and consistent with the total compensation received by Element NEOs.



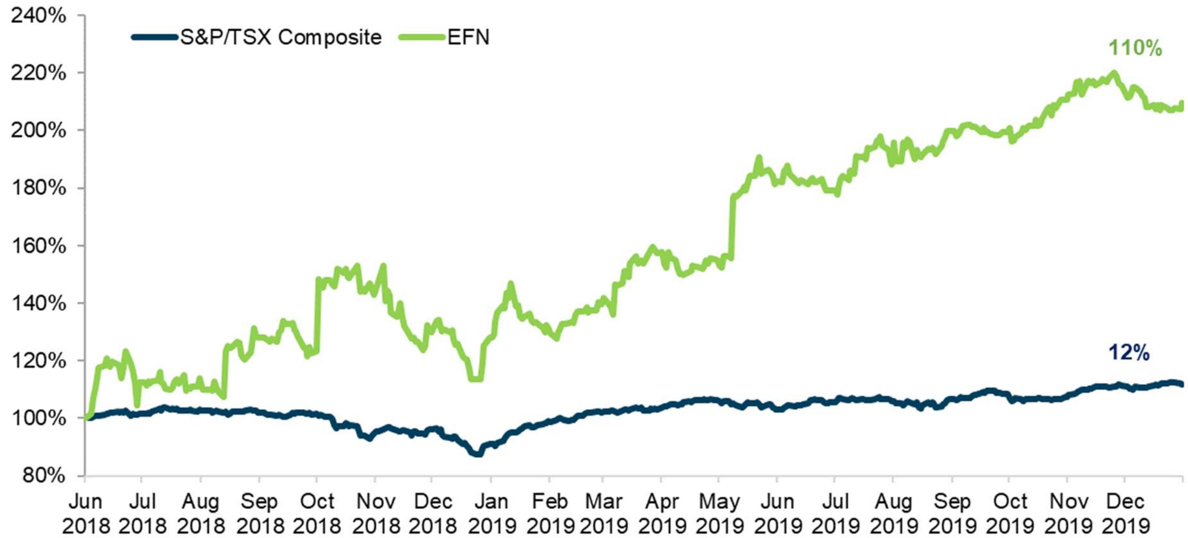
Note: The cumulative return of the Common Shares (in $) is based on the closing prices of the Common Shares on the TSX on December 31, 2014, 2015, 2016, 2017, 2018 and 2019 or, if there was no trading on such date, the closing price on the last trading day prior to such date. Cash dividends on the shares have been treated as being reinvested into additional shares on the payment date of each dividend.

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Common Shares	100.0	118.1	112.0	87.5	66.6	109.1
S&P/TSX Composite Total Return Index	100.0	91.7	111.0	121.1	110.3	135.6

- On and after October 3, 2016, the trading price of the Common Shares reflects the completion of the Separation Transaction, including the receipt by shareholders of ECN Capital Corp. common shares (TSX: ECN).
- Immediately prior to the completion of the Separation Transaction, the closing price of the Common Shares on the TSX was $16.22.
- Following completion of the Separation Transaction, on October 4, 2016, the closing price of the Common Shares on the TSX was $12.86 and the closing price of the ECN Capital Corp. common shares on the TSX was $3.38.
- For the purposes of the performance graph above, it has been assumed that, upon completion of the Separation Transaction, the ECN Capital Corp. common shares received were sold on October 4, 2016 (at the closing price of $3.38) and that the gross proceeds from such sale (assuming no transaction or other costs, fees or expenses were incurred) were reinvested in Common Shares of Element (at the closing price of $12.86) on that day.

Historically, the Corporation's approach to compensation was to pay below industry average base salaries and above industry average performance bonuses, to reflect achievement of objectives during the year, including increases in total shareholder return. In mid-2016 the Board and the Corporation's management developed a compensation structure intended to "right size" compensation to the scale of the Corporation following the Separation Transaction, including through the use of longer-term incentives.

We outline below the total shareholder return of Element compared to the S&P/TSX Composite Total Return Index for the period since Jay Forbes became CEO – June 1, 2018 to December 31, 2019 (110% vs. 12% respectively).



Cost of Management Ratio

The following table reports the total aggregate compensation for the CEO and the NEOs and the percentage of adjusted operating income in each of the last two fiscal years.

	2019	**2018**
Total Aggregate NEO Compensation(1)	**$15.5M**	$11.4M
Adjusted Operating Income	**$521M**	$387.1M
As a percentage of Adjusted Operating Income	**3.0%**	2.9%

(1) Total NEO compensation includes all elements of compensation for the NEOs (excluding any termination payments).

Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2019 for Element's last three completed fiscal years.

Name, Principal Position	Fiscal Year	Salary ($)	Share-based awards ($)(1)	Option-based awards ($)(2)	Non-equity incentive plan compensation ($)		All other compensation ($)(4)	Total compensation ($)
					Annual incentive plans(3)	Longer-term incentive plans		
Jay Forbes,(5)	**2019**	**1,000,000**	**3,000,000**	—	**1,790,000**	—	**—**	**5,790,000**
Chief Executive Officer	2018	466,676	933,334	2,500,000	933,333	—	—	4,833,343
	2017	—	—	—	—	—	—	—
Vito Culmone, (6)	**2019**	**625,000**	**800,000**	—	**1,081,250**	—	**—**	**2,506,250**
EVP & Chief Financial Officer	2018	286,458	358,072	1,200,000	431,507	—	—	2,276,037
	2017	—	—	—	—	—	—	—
Jim Halliday,(7)	**2019**	**703,257**	**1,332,700**	—	**1,364,319**	—	**—**	**3,400,276**
EVP & Chief Operating Officer	2018	585,309	2,361,169	254,247	1,030,384	—	—	4,231,108
	2017	595,581	621,011	310,500	238,232	—	—	1,765,324
Karen Martin, (8)	**2019**	**530,000**	**530,000**	—	**874,500**	—	**2,130,625(8)**	**4,065,125**
Former EVP & Treasurer	2018	513,750	562,500	240,480	770,625	—	—	2,087,355
	2017	500,000	500,000	250,000	300,000	—	—	1,550,000
Vineet Gupta (9),	**2019**	**479,167**	**675,000**	—	**697,603**	—	**—**	**1,851,770**
EVP & Chief Technology Officer	2018	—	—	—	—	—	—	—
	2017	—	—	—	—	—	—	—

(1) The value of share-based awards is determined by the Corporation when allocating long-term compensation for each executive. Share-based awards were granted in the form of PSUs and RSUs under the Unit Plan, in which the number of PSUs and RSUs granted is calculated by dividing the dollar value of the award by the 10-day volume weighted average price of the Common Shares on the TSX as at the award grant date. No assumptions are required, and the amounts are based on the fair value of the award on the relevant grant date(s).

(2) The Corporation determines the grant date fair values using the Black-Scholes option valuation model at the time it allocates long-term compensation for each executive. The Black-Scholes option valuation model takes into account an option's exercise price, its expected life, a risk-free interest rate and the expected volatility. For Mr. Halliday's 2018 fiscal year option grant, the grant date fair value was determined based on a Black-Scholes option value of $1.263 (assuming a 7 year term, a risk-free rate of 2.30%, 37.65% volatility, and an expected annual dividend of $0.30). For Ms. Martin's 2018 fiscal year option grants the grant date fair value was determined based on a Black-Scholes option value of $1.586 (assuming a 7 year term, a risk-free rate of 2.19%, 37.71% volatility, and an expected annual dividend of $0.30).

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

(4) During 2019, 2018 and 2017, no perquisites were paid to the current NEOs that, in the aggregate, were in excess of (i) 10% of base salary or (ii) $50,000.

(5) Mr. Forbes was appointed Chief Executive Officer of the Corporation effective June 1, 2018, and his annualized base salary in 2018 was $800,000, which was prorated in 2018 based on his tenure in the role. Mr. Forbes annual incentive target was 100% of salary and was also prorated for his first year in role. Mr. Forbes received $466,667 in PSUs and $466,667 in RSUs as his annual grant in his first year (also prorated). For Jay Forbes' grant of performance stock options, the grant date fair value was determined based on a Black-Scholes option value of $1.00 (assuming a 7 year term, a risk free rate of 2.3%, 37.65% volatility, and an expected annual dividend of $0.30, modified to reflect performance factors). Mr. Forbes also serves as a director of the Corporation but does not receive any compensation in his capacity as a director.

(6) Mr. Culmone was appointed Chief Financial Officer of the Corporation effective July 16, 2018, and his annualized base salary in 2018 was $625,000, which was prorated in 2018 based on his tenure in the role. Mr. Culmone's annual incentive target was 100% of salary and was also prorated for his first year in role. For Vito Culmone's option grant, the grant date fair value was determined based on a Black-Scholes option value of $1.00 (assuming a 7 year term, a risk free rate of 2.13%, 39.10% volatility, and an expected annual dividend of $0.30, modified to reflect performance factors).

(7) Mr. Halliday was hired as the Corporation's President and Chief Executive Officer, Fleet Management on July 7, 2014. Mr. Halliday was promoted to President and Chief Executive Officer of Element Fleet Management International on October 3, 2016 following

completion of the Separation Transaction. On November 1, 2018, Mr. Halliday became the Chief Operating Officer of the Corporation.

(8) Ms. Martin ceased employment as the Corporation's EVP and Treasurer effective December 31, 2019. As further described below under "Termination and Change of Control Benefits for NEOs", as a result of a previous change in her employment terms, Ms. Martin resigned for "good reason" and was entitled to a termination payment in the amount of $2,130,625 pursuant to the terms of her employment agreement dated January 1, 2017. This payment is included in Ms. Martin's " All Other Compensation" amount for 2019. The Corporation does not have any other executives with a similar trigger for "good reason". Israel Kaufmann was appointed Treasurer of the Corporation effective as of December 2, 2019.

(9) Mr. Gupta was hired as the Corporation's EVP & Chief Technology Officer effective as of January 16, 2019.

Incentive Plan Awards

Outstanding option-based and share-based awards

The following table sets out, for each NEO, information concerning all option-based awards and share-based awards (RSUs and PSUs at target) outstanding as of December 31, 2019.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date[1]**	**Value of unexercised in-the-money options[2] ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)[2]**	**Market or payout value of share-based awards not paid out or distributed ($)[3]**
Jay Forbes	2,500,000	$5.73	May 15, 2025	$13,400,000	542,867	$6,020,395	-
Vito Culmone	1,200,000	$6.48	June 25, 2025	$5,532,000	150,448	$1,668,468	-
Jim Halliday	250,000	$11.78	Aug 15, 2022	nil	479,403	$5,316,579	
	125,000	$12.65	Feb 27, 2023	nil			
	100,000	$14.31	Sept 30, 2023	nil			
	161,620	$12.62	Dec 19, 2024	nil			
	100,992	$13.06	Mar 13, 2025	nil			
	201,304	$5.73	May 16, 2025	$1,078,989			
Karen Martin	6,666	$8.26	Apr 25, 2021	$18,865	139,082	$1,542,419	
	13,333	$10.05	Aug 16, 2021	$13,866			
	21,616	$11.18	Dec 20, 2021	nil			
	150,000	$12.65	Feb 27, 2021	nil			
	126,761	$12.62	Dec 31, 2021	nil			
	81,314	$13.06	Dec 31, 2021	nil			
	151,627	$5.65	Dec 31, 2021	$824,851			
Vineet Gupta					87,168	$966,693	-

(1) On May 3, 2011, the Board approved the amendment and restatement of the Option Plan. Pursuant to such amendment and restatement, Element amended the vesting period from one year to three years and the exercise term from two years to five years. Options issued prior to such amendment and restatement were not affected thereby. The Option Plan (including all unallocated Options thereunder and certain amendments thereto) was re-approved by shareholders on June 26, 2014 and on June 6, 2017. The Corporation has decided not to seek re-approval of the Option Plan at the Meeting. As a result, the Corporation will not be granting any new Options under the Option Plan. Additionally, options which have not been allocated and options which are outstanding and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue unaffected.

(2) Represents the intrinsic value of all Options (whether vested or unvested) and units (RSUs and PSUs at target) based on the closing price of the Common Shares on the TSX on December 31, 2019 ($11.09).

(3) The market or payout value of DSUs that are payable after the executive leaves the Corporation is based on the closing price of the Common Shares on the TSX on December 31, 2019, which was $11.09 per Common Share.

Value Vested or Earned During the Year

The table below sets out the option-based, share-based and non-equity-based incentive plan amounts vested or earned in 2019.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Jay Forbes	$3,224,999	$300,242	$1,790,000
Vito Culmone	$1,292,000	$89,362	$1,081,250
Jim Halliday	$171,779	$1,459,770	$1,364,319
Karen Martin	$133,431	$1,089,441	$874,500
Vineet Gupta	-	-	$697,603

Equity Compensation Plan Information

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

Plan Category	Number of Securities to be Issued upon Exercise of Options (as at December 31, 2019)	Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2019)	Number of Securities Remaining Available for Future Issuance Under the Option Plan (excluding securities reflected in (a)) (as at December 31, 2019)
Equity Compensation Plans Approved by Securityholders(1)	16,082,832	10.40	0
Equity Compensation Plans Not Approved by Securityholders	—	—	—

(1) The DSU Plan and the Unit Plan are not included in the above figures as all DSUs, RSUs and PSUs are settled in cash, as opposed to Common Shares issued from treasury.

(2) The Corporation has decided not to seek re-approval of the Option Plan at the Meeting. As a result, the Corporation will not be granting any new Options under the Option Plan. Additionally, options which have not been allocated and options which are outstanding and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue unaffected.

LONGER-TERM INCENTIVE PLANS

Longer-Term Incentive Plan Descriptions

PSUs and RSUs (Cash-Settled)

The Board adopted the Element Share Unit Plan ("Unit Plan") in February 2014. Under the Unit Plan, both performance share units ("PSUs") and restricted share units ("RSUs") may be granted. PSUs and RSUs vest within three years and are settled in cash at the end of the term based on the volume weighted average trading price of the Common Shares for the 10 trading days preceding the vesting date. PSUs are also subject to performance conditions that are approved by the Board, upon recommendation from the C&CG Committee, which align executives with the Corporation's business strategy and reward executives only for the performance objectives that they are successful in achieving. The Unit Plan provides that the C&CG Committee may make proportionate adjustments to the PSUs in the event of certain changes in the capital of the Corporation.

During 2019, the Corporation granted a total of 1,102,018 PSUs and a total of 1,516,084 PSUs are outstanding as of December 31, 2019 (with 1,346 cancelled or forfeited).

During 2019, the Corporation granted a total of 854,249 RSUs and a total of 1,902,871 RSUs are outstanding as of December 31, 2019 (with 49,980 cancelled or forfeited).

PSUs will be granted in connection with the annual long-term incentive plan. Depending on the specific purpose of the award, the C&CG Committee will determine the associated performance metrics, weightings and performance period.

The number of units that vest is based on performance against the metrics that are tied to Element's strategic priorities. The 2019 PSU performance metric is based on three-year total shareholder return of Element relative to the S&P/TSX Composite Index. The PSU performance multiplier under this plan design may range from 50% to 200% depending on actual performance.

Under the Unit Plan, the payout of PSUs is determined by multiplying the number of PSUs that vest by volume weighted average trading price of the Common Shares for the 10 trading days preceding the vesting date.

In November 2019, the C&GC approved a change to the Unit Plan to incorporate a double trigger provision as well as Board discretion upon a Change in Control. This amendment will apply to all future grants of PSUs and RSUs. Pursuant to the double trigger provision, in the event that a participant under the Unit Plan is terminated with cause or voluntarily terminates his/her employment under certain circumstances as described further therein, in each case, within 24 months following a Change of Control, then, subject to the terms of such participant's written employment agreement and the applicable grant agreement, all RSUs and/or PSUs with a grant date on or after the effective date of such amendment that have not previously vested shall vest on the effective date of such termination.

Stock Options

The Corporation has decided not to seek re-approval of the Option Plan at the Meeting. As a result, the Corporation will not be granting any new Options under the Option Plan. Additionally, options which have not been allocated and options which are outstanding and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue unaffected.

Options allow participants to purchase Common Shares at a specified exercise price within a specified maximum exercise period of eight years. The following is a summary of the Option Plan:

- Eligible participants under the Option Plan are the officers and other key full-time employees of the Corporation and its affiliates. Non-employee directors are not entitled to participate in the Option Plan.
- Options typically vest over three years.
- Each vested portion is exercisable for five years from the vesting date.
- Exercise price is established by the Board but shall not be less than the closing price of the Common Shares on the last trading day before the grant date.
- The Option Plan provides that the Board may make appropriate adjustments in the event of certain changes in the capital of the Corporation.
- Maximum number of Common Shares that may be issued pursuant to the Option Plan and other security-based compensation arrangements will not exceed 10% of the issued and outstanding Common Shares, calculated from time to time at the date Options are granted. The Board will take into account previous grants of Options when considering future grants.
- Common Shares subject to an Option that has been granted and that is subsequently cancelled or terminated for any reason without having been exercised will again be available for grant under the Option Plan.
- Options are personal to the recipient and are non-transferable except in accordance with the Option Plan and the regulations thereto.
- Subject to applicable law and upon notice to the Corporation, a holder may transfer Options, or Common Shares received under the exercise of Options, to any registered retirement savings plan, registered retirement income fund, tax-free savings account or similar retirement or investment fund established by or for the holder or under which the holder is a beneficiary.
- Upon death of a holder, the holder's Option(s) become part of his or her estate, and any right of the holder may be exercised by the deceased holder's legal representatives in accordance with the Option Plan, provided the legal representatives comply with all obligations of the deceased holder.
- Options are not granted during "blackout periods" under Element's insider trading policy. If an Option expires during a blackout period, the expiry date for such Option will be automatically extended to the 10th business day following the end of such blackout period.
- In the case of termination of employment of any Option-holder for cause, all granted Options then held by such person immediately terminate as of the date of termination of employment.
- In the case of termination of employment of any Option-holder as a result of death or disability, all granted Options then held by such person shall terminate as of the earlier of the expiry date for such Options or one year from the date of death or disability.
- In cases where the employment of any Option-holder is terminated for reason other than cause, death or disability, all granted Options then held by such person shall terminate as of the earlier of the expiry dates for such Options or one year following the last day of employment.
- In the event of a change of control, the Board, having regard to its fiduciary duties and the best interests of the Corporation, will address the economic value of the rights that participants, as a group, have in outstanding Options in whatever manner the Board deems to be reasonable.

The Board enacted the Option Plan prior to the Corporation becoming a public company in December 2011 and the Option Plan was re-approved by shareholders at the Corporation's 2014 and 2017 annual meetings. The Board is not seeking re-approval of the Option Plan at the Meeting. The number of Common Shares issuable to insiders or to any individual participant of Element, at any time, pursuant to the Option Plan and other security-based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares. In addition, the number of Common Shares issued to insiders or to any individual participant of Element, within a one-year period, pursuant to the Option Plan and other security-based compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares. As discussed above, effective January 1, 2014, the granting of Options to non-employee directors under the Option Plan was discontinued. At the Corporation's 2017 annual meeting, shareholders approved an amendment to the Option Plan to codify this practice by removing non-employee directors as eligible participants under the Option Plan.

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

During 2019, the Corporation did not grant any Options and a total of 16,412,433 Options remained outstanding as of December 31, 2019 (representing approximately 3.62% of the issued and outstanding Common Shares on a fully-diluted basis).

As of December 31, 2019, a maximum of 41,129,502 Common Shares were available for issuance under the Option Plan (approximately 9.4% of the outstanding Common Shares on a non-diluted basis) and there were 4,198,885 Common Shares (approximately 1.0% of the outstanding Common Shares on a non-diluted basis) that remained available for issuance under the Option Plan.

Since the inception of the Option Plan, a total of 11,861,608 Common Shares have been issued pursuant to the exercise of Options, representing approximately 2.7% of the outstanding Common Shares on a non-diluted basis.

Stock Option overhang, dilution and burn rates

	2019	2018	2017
Overhang(1)	6.89%	7.44%	7.40%
Dilution(2)	3.62%	5.52%	5.32%
Burn Rate(3)	0.00%	1.30%	0.25%

(1) The total number of Common Shares reserved for issuance to employees, less the number of Options redeemed, expressed as a percentage of the total number of Common Shares outstanding as at December 31st of each year on a diluted basis.

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

(3) The total number of Options granted in a fiscal year, expressed as a percentage of the weighted average number of Common Shares outstanding for the applicable fiscal year calculated in accordance with the CPA Canada Handbook.

DSUs (Cash-Settled)

Effective May 13, 2013, the Board adopted a deferred share unit plan for directors and executives (the "DSU Plan"). Under the DSU Plan, the Board may grant DSUs to directors and executives of Element. The Board does not intend to grant DSUs to NEOs or any other non-directors.

The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board, and to strengthen the alignment of interests between participants in the DSU Plan and shareholders by requiring participants to defer receiving a portion of their compensation until their retirement or resignation and having the value of such portion fluctuate with the value of the Common Shares.

Under the terms of the DSU Plan, the number of DSUs that a participant will receive is calculated by dividing the portion of the participant's eligible compensation by the volume-weighted average price of the Common Shares on the TSX for the 10 most recent preceding days on which they were traded on the grant date.

The redemption date of a participant's DSUs shall not occur until his or her resignation or retirement from the Corporation. In such case, the participant will provide the Corporation with a written redemption notice specifying a redemption date, which shall occur no later than December 15th of the calendar year following the year in which the participant resigned or retired. On a redemption date, a participant will receive a lump sum cash payment in satisfaction of any DSUs credited to his or her account in an amount equal to: (i) the number of DSUs credited to the participant's account on the redemption date, multiplied by (ii) the volume-weighted average price of the Common Shares on the TSX for the 10 most recent preceding days on which they were traded (less any applicable withholding taxes). The DSU Plan provides that the Board may make appropriate adjustments to the DSUs in the event of certain changes in the capital of the Corporation.

During 2019, the Corporation granted 201,233 DSUs to directors. No DSUs were awarded to NEOs in 2019.

Termination and Change of Control Benefits for NEOs

The Corporation has standard policies in respect of executive terminations. In November 2019, the C&GC approved a change to the Share Unit plan to incorporate a double trigger provision as well as Board discretion upon a Change in Control. This amendment will apply to all future grants of PSUs and RSUs.

Employment Agreement of Mr. Forbes

Jay Forbes entered into an employment agreement with the Corporation as of May 14, 2018, pursuant to which he became Chief Executive Officer of the Corporation, effective June 1, 2018. Under the terms of his employment agreement, if Mr. Forbes is terminated without just cause or in circumstances constituting constructive dismissal (including a termination without just cause or constructive dismissal in the 12 months following a Change of Control), then Element must provide Mr. Forbes with a payment equal to: (i) 12 months of Cash Compensation if he is terminated prior to June 1, 2020; (ii) 18 months of Cash Compensation if he is terminated after June 1, 2020, but before June 1, 2021; or (iii) 24 months of Cash Compensation if he is terminated after June 1, 2021. For the purposes of Mr. Forbes' employment agreement, "Cash Compensation" means the total of (A) Mr. Forbes' base salary as of the termination date, (B) the greater of Mr. Forbes' target STIP award payable in cash for the year of termination or the STIP award earned and paid in cash in the year prior to the year of termination, and (C) the annual value of Mr. Forbes' perquisite package, not to exceed $49,900. As at December 31, 2019 such amount would be equivalent to $2,049,900. Mr. Forbes will also be entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for the applicable period, determined as set out above. Following termination upon Change of Control, unvested outstanding Options and units held by Mr. Forbes will be treated in accordance with the relevant terms and conditions of the applicable plans. Giving effect to the immediate vesting of all previously granted Options and units upon a Change of Control on December 31, 2019, Mr. Forbes would hold Options and units with an estimated combined in-the-money value of $19,420,395.

Employment Agreement of Mr. Culmone

Vito Culmone entered into an employment agreement with the Corporation as of June 25, 2018, pursuant to which he became Chief Financial Officer of the Corporation. Under the terms of his employment agreement, if Mr. Culmone is terminated without just cause or in circumstances constituting constructive dismissal (including a termination without just cause or constructive dismissal in the 12 months following a Change of Control), then Element must provide Mr. Culmone with a payment equal to: (i) 12 months of Cash Compensation if he is terminated prior to June 25, 2020; (ii) 18 months of Cash Compensation if he is terminated after June 25, 2020, but before June 25, 2021; or (iii) 24 months of Cash Compensation if he is terminated after June 25, 2021. For the purposes of Mr. Culmone's employment agreement, "Cash Compensation" means the total of (A) Mr. Culmone's base salary as of the termination date, (B) the greater of Mr. Culmone's target STIP award payable in cash for the year of termination or the STIP award earned and paid in cash in the year prior to the year of termination, and (C) the annual value of Mr. Culmone's perquisite package, not to exceed $39,900. As at December 31, 2018 such amount would be equivalent to $1,289,900. Mr. Culmone will also be entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for the applicable period, determined as set out above. Following termination upon Change of Control, unvested outstanding Options and units held by Mr. Culmone will be treated in accordance with the relevant terms and conditions of the applicable plans. Giving effect to the immediate vesting of all previously granted Options and units upon a Change of Control on December 31, 2019, Mr. Culmone would hold Options and units with an estimated combined in-the-money value of $7,200,468.

Employment Agreement of Mr. Halliday

If the employment of Mr. Halliday is terminated without just cause or in circumstances constituting constructive dismissal (including a termination without just cause or constructive dismissal following a Change of Control), or in the event that such NEO is terminated due to disability or death, then Element must provide such NEO with a payment equal to two (2) times the applicable NEO's base salary on the termination date plus two (2) times the greater of (i) the applicable NEO's targeted annual bonus and (ii) the average of the actual bonus paid by Element to the NEO in the two fiscal years prior to the termination date. As at December 31, 2019, such amount would be equivalent to $2,603,865 for Mr. Halliday. Following termination upon Change of Control, unvested outstanding Options and units held by Mr. Halliday will be treated in accordance with the terms and conditions of the plan applicable to the Change of Control. Giving effect to the immediate vesting of all previously granted Options and units upon a Change of Control on December 31, 2019, Mr. Halliday would hold Options and units with an estimated combined in-the-money value of $6,395,569.

Employment Agreement of Mr. Gupta

Vineet Gupta entered into an employment agreement with the Corporation as of January 16, 2019, pursuant to which he became Chief Technology Officer of the Corporation. Under the terms of his employment agreement, if Mr. Gupta is terminated without just cause or in circumstances constituting constructive dismissal (including a termination without just cause or constructive dismissal in the 12 months following a Change of Control), then Element must provide Mr. Gupta with a payment equal to: (i) 12 months of Cash Compensation if he is terminated prior to January 16, 2021; (ii) 18 months of Cash Compensation if he is terminated after January 16, 2021, but before January 16, 2022; or (iii) 24 months of Cash Compensation if he is terminated after January 16, 2022. For the purposes of Mr. Gupta's employment agreement, "Cash Compensation" means the total of (A) Mr. Gupta's base salary as of the termination date, (B) the greater of Mr. Gupta's target STIP award payable in cash for the year of termination or the STIP award earned and paid in cash in the year prior to the year of termination, and (C) the annual value of Mr. Gupta's perquisite package, not to exceed $30,000. As at December 31, 2019 such amount would be equivalent to $905,000. Mr. Gupta will also be entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for the applicable period, determined as set out above. Following termination upon Change of Control, unvested outstanding units held by Mr. Gupta will be treated in accordance with the relevant terms and conditions of the applicable plans. Giving effect to the immediate vesting of all previously granted units upon a Change of Control on December 31, 2019, Mr. Gupta would hold units with an estimated combined value of $966,693.

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

Each of the current NEOs is subject to a non-competition clause and a non-solicitation clause for a period of 24 months, following the date of the termination of their employment, for whatever reason and with or without just cause.

Karen Martin

Karen Martin ceased employment as the Corporation's EVP and Treasurer effective December 31, 2019. As a result of a specific change in her employment terms, Ms. Martin resigned for "good reason" and was entitled to a termination payment pursuant to the terms of her employment agreement dated January 1, 2017 in the amount of $2,130,625, being equal to two (2) times her base salary on the termination date plus two (2) times the greater of (i) her targeted annual bonus and (ii) the average of the actual bonus paid by Element to Ms. Martin in the two fiscal years prior to her termination date. In addition, the vesting of Ms. Martin's Options, restricted share units and deferred share units was accelerated. Her PSUs will vest in the normal course.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

As of April 2, 2020, the following table sets forth the indebtedness incurred for the purchase of securities of the Corporation and for other purposes by all individuals who were directors, officers and employees of the Corporation and its subsidiaries during 2019.

Purpose	Aggregate Indebtedness to the Corporation or its Subsidiaries
Share Purchases	$348,629
Other	—

Indebtedness of Directors and Executive Officers under Securities Purchase Program

The following table sets out the indebtedness of directors and executive officers of the Corporation (including any person who, during the year-ended December 31, 2019, was, but is not at the date of this Circular, a director or executive officer of the Corporation), nominees for election as directors, and any associates of any of the foregoing persons, during the year-ended December 31, 2019 and as at April 2, 2020 to the Corporation or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Name and Principal Position – Current Directors and Officers	Involvement of Issuer	Largest Amount Outstanding in 2019	Amount Outstanding as at April 2, 2020	Security for Indebtedness
Jim Halliday, Executive Vice President and Chief Operating Officer	Lender	$946,364	$348,629	First-priority security interest over certain purchased Element securities (incl. all proceeds thereof)

In 2017, the Corporation discontinued the securities purchase loan program. No further loans will be made by the Corporation to the executive officers of the Corporation to finance the acquisition of securities of Element. The indebtedness reflected in the above table reflects loans previously provided to an executive officer of the Corporation to finance the acquisition of securities of Element. These loans were approved by the Board on the basis that it was important that management's interest be aligned with that of the Corporation's shareholders. Purchase of securities through the loan program occurred through the secondary market in compliance with the Corporation's insider trading policy and applicable TSX and securities laws. The loans reflected arm's length terms, including a market rate of interest (a rate of 3% per annum), principal repayment no later than seven years from advance, and the Corporation being granted a first-priority security interest in certain Element securities held by the executive and having full recourse to the executive as security for payment of the full amount of their indebtedness. No portion of any outstanding loan amounts has ever been forgiven by the Corporation.

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of $100,000,000, subject to a $250,000 deductible payable by the Corporation. The annual premium paid by the Corporation for this coverage is $369,636.

AVAILABLE INFORMATION

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

Shareholders of the Corporation may request copies of the Corporation's financial statements and MD&A by contacting the Executive Vice President, General Counsel & Corporate Secretary of the Corporation by email at dcolman@elementcorp.com or by mail at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

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DIRECTORS' APPROVAL

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

Dated as of April 2, 2020.

David Colman
Executive Vice President, General Counsel & Corporate Secretary

APPENDIX A

ELEMENT FLEET MANAGEMENT CORP.
BOARD OF DIRECTORS MANDATE

As of December 14, 2011 (*updated as of February 25, 2020*)

1. Purpose

The Board of Directors (the "Board") has the duty to supervise the management of the business and affairs of Element Fleet Management Corp. ("Element" or the "Corporation"). The Board, directly and through its committees and the chair of the Board (the "Chair"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

This Board Mandate (this "Mandate") was initially adopted by the Board on December 14, 2011.

2. Composition

General

The composition and organization of the Board, including the number, qualifications and remuneration of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are governed by the *Business Corporations Act* (Ontario), applicable Canadian securities laws, applicable stock exchange rules (including the rules of the Toronto Stock Exchange) and the articles and by-laws of the Corporation, in each case as they may be amended and/or replaced from time to time, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Corporation's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors, who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Compensation and Corporate Governance Committee and tender their resignation from the Board. Such resignation shall only become effective if it is accepted by the Board upon the recommendation of the Compensation and Corporate Governance Committee.

Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 Corporate Governance Guidelines, as it may be amended and/or replaced from time to time.

Chair of the Board

The Chair shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

3. Duties and Responsibilities

The Board shall have the specific duties and responsibilities outlined below.

Strategic Planning

(a) Strategic Plans

The Board shall adopt a strategic plan for the Corporation. At least annually, the Board shall review and, if advisable, approve the Corporation's strategic planning process and the Corporation's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Corporation, risk issues, and significant business practices and products.

(b) Business and Capital Plans

At least annually, the Board shall review and, if advisable, approve the Corporation's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) Monitoring

At least annually, the Board shall review management's implementation of the Corporation's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

Risk Management

(a) General

At least annually, the Board shall review reports provided by management and the Credit and Risk Committee of principal risks associated with the Corporation's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(b) Verification of Controls

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

Human Resource Management

(a) General

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to human resource management and executive compensation.

(b) Succession Review

At least annually, the Board shall review the succession plans of the Corporation for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(c) Integrity of Senior Management

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Corporation.

Corporate Governance

(a) General

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to corporate governance.

(b) Director Independence

At least annually, the Board shall consider, with the input of the Compensation and Corporate Governance Committee, the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(c) Ethics Reporting

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Corporation. At least annually, the Board shall review the report of the Compensation and Corporate Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Compensation and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(d) Board of Directors Mandate Review

At least annually, the Board shall review and assess the adequacy of this Mandate to ensure compliance with any rules or regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Credit

At least annually, the Board shall review reports provided by management and the Credit & Risk Committee concerning credit risks associated with the Corporation's business and operations, the development, origination and performance of the Corporation's asset portfolio from a credit risk perspective, and the integration activities of acquired businesses and other strategic initiatives and investments.

Communications

(a) General

The Board has adopted a Disclosure Policy for the Corporation. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Corporation's overall Disclosure Policy, including measures for receiving feedback from the Corporation's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Corporation's Disclosure Policy.

(b) Shareholders

The Corporation endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports, periodic press releases and other continuous disclosure documentation, as applicable. Directors and management meet with the Corporation's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Corporation shall maintain a website that is regularly updated and provides investors with relevant information on the Corporation and an opportunity to communicate with the Corporation.

4. Committees of the Board

The Board has established the following committees: the Compensation and Corporate Governance Committee, the Audit Committee, and the Credit & Risk Committee. Subject to applicable law and regulations, the Board may establish other Board committees or merge or dispose of any such Board committee.

Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each committee mandate shall be reviewed by the Compensation and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

Consideration of Committee Recommendations

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

5. Meetings

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Corporation's constating documents.

Secretary and Minutes

The Corporation's Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Secretary and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Directors' Responsibilities

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

In discharging the forgoing duties and responsibilities, the Board shall have unrestricted access to management and employees of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate. The Board shall have the authority to retain legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities. The Corporation shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards and Audit Committees

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public corporation.

6. Director Development and Evaluation

Each new director shall participate in the Corporation's initial orientation program and each director shall participate in the Corporation's continuing director development programs. The Compensation and Corporate Governance Committee shall review with each new member: (i) certain information and materials regarding the Corporation, including the role of the Board and its committees; and (ii) the legal obligations of a director of the Corporation. From time to time as required, the Board, with the assistance of the Compensation and Corporate Governance Committee, shall review the Corporation's initial orientation program and continuing director development programs.

7. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

APPENDIX B

VIRTUAL AGM USER GUIDE

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Getting Started

This year's annual meeting will be held virtually. You can participate online using your smartphone, tablet or computer.

By participating online, you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time.

As usual, you may also provide voting instructions before the meeting by completing the form proxy or voting information form that has been provided to you.

Important Notice for Non-Registered Holders:

Non-registered holders (being shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxy will not be able to attend or participate at the meeting.

If you are a non-registered holder and wish to attend and participate at the meeting, you should carefully follow the instructions set out on your voting information form and in the management information circular relating to the meeting, in order to appoint and register yourself as proxy.

In order to participate online:

Before the meeting:

1. Check that your browser for whichever device you are using is compatible. Visit https://web.lumiagm.com/282468185 on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox.
2. All securityholders MUST register any 3rd party appointments at http://www.computershare.com/elementfleet. Failure to do so will result in the appointee not receiving login credentials.

Gather the information you need to access the online meeting:

Meeting ID: 282468185

Password: element2020

To log in, you must have the following information:

Registered Holders

The 15 digit control number provided on your form of proxy provided by Computershare, which constitutes your user name.

Appointed Proxy

The user name provided by Computershare via email, provided your appointment has been registered.

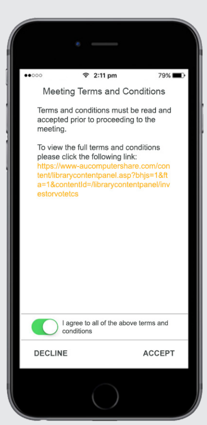
Broadcast **The broadcast bar:** Allows you to view and listen to the proceedings.

Home page icon: Displays meeting information

Questions icon: Used to ask questions

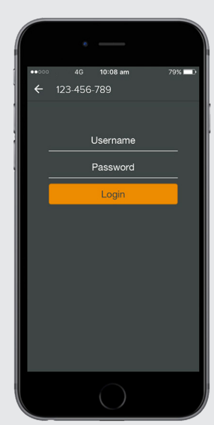
Voting icon: Used to vote. Only visible when the chairperson opens poll.

1 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



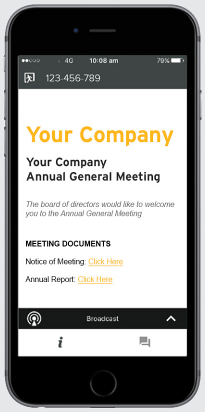
2 Registered holders: Your user name is the 15 digit control number printed on your proxy form.

Appointed proxy holders: Your user name can be found in the email sent to you from Computershare.



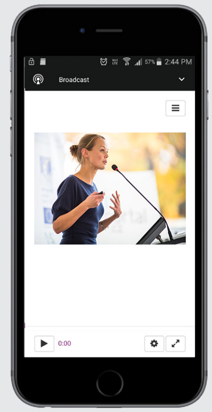
3 Once logged in, you will see the home page, which displays the meeting documents and information on the meeting.

Icons will be displayed in different areas, depending on the device you are using.



4 To view proceedings you must tap the broadcast arrow on your screen.

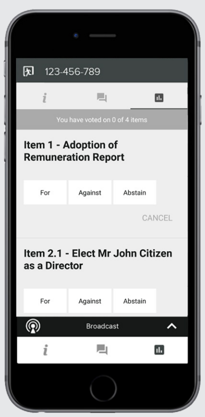
Toggle between the up and down arrow to view another screen.



TO VOTE

5 When the Chair declares the poll open :

- A voting icon will appear on your device and the Meeting Resolutions will be displayed.
- To vote, tap one of the voting options. Your response will be highlighted.



The number of items you have voted on, or are yet to vote on, is displayed at the top of the screen.

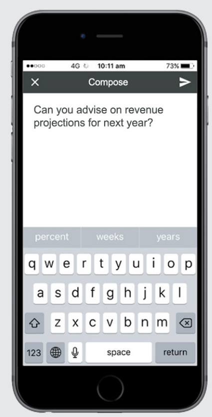
NOTE: Votes may be changed up to the time the chair closes the poll.

TO ASK QUESTIONS

6 Tap on the Questions icon then **press the button** to submit a question.

Compose your question and select the send icon .

Confirmation that your message has been received will appear.



NOTE: On some devices, in order to vote, you may need to minimize the webcast by selecting the arrow in the broadcast bar. Audio will still be available. To return to the webcast after voting, select the arrow again.

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation Agent, Kingsdale Advisors

CONTACT US:

North American Toll Free Phone:

1-866-581-0510

E-mail: contactus@kingsdaleadvisors.com

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Call Collect: 416-867-2272

KINGSDALE Advisors

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