



ELEMENT FLEET MANAGEMENT CORP.

NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 12, 2021

AND

MANAGEMENT INFORMATION CIRCULAR

April 2, 2021



## **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, 2021 at 4:00 p.m. (Toronto time).

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 2020 and discuss the Corporation's progress in executing its strategy. The Management Information Circular (the "Circular") contains detailed instructions about how to participate at the virtual meeting.

While the COVID-19 pandemic created a challenging environment in 2020, Element's fourth quarter and full-year financial results, released on March 3, 2021, underscore a resilient 2020 for the Corporation and all of its stakeholders – including you, our investors – as evidenced by the Corporation's performance against its 2020 Global Balanced Scorecard metrics.

Having successfully completed Element's transformation in 2020, management's focus has quickly shifted to capitalizing on Element's industry-leading platform and investment-grade financial position to drive the Corporation's profitable revenue growth and free cash flow generation for years to come. The Board has worked closely with management to set the Corporation's strategic direction and ensure that Element is in a strong position to achieve its strategic objectives.

In addition to this strategic oversight, the Board has worked with management to develop Element's ESG strategy, which is summarized in the Circular and published in Element's inaugural annual ESG Report which is available on the Element website (<https://www.elementfleet.com/about-us/investor-relations/esg-report>). While ESG has been a focal point for the new management team from the outset, the Board is excited with the expanded efforts to accelerate ESG activities in 2021 and is confident in Element's ability to deliver on this important aspect of its strategy.

I would like to take this opportunity on behalf of the Board and management to thank Paul Damp, who has decided not to stand for re-election to the Board, for his many contributions to Element since 2016, including most recently acting as Chair of the Audit Committee. Following the annual meeting, Keith Graham will take over the role of Chair of the Audit Committee and I am confident that he will be a strong leader for the committee. To replace Mr. Damp, the Board undertook an extensive director search and I am excited with the resulting inclusion of Arielle Meloul-Wechsler in the slate

of director nominees at this year's meeting. Ms. Meloul-Wechsler is an accomplished executive with strong human resources experience and will be a tremendous addition to the Board. In addition, the Board appointed Virginia Addicott as a director in October 2020 and she is standing for election at this year's meeting. Ms. Addicott's skills and experience are a strong complement to our other independent directors and she has already made a positive impact in her short time with the Board.

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, 2021, 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 2021 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, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Denison".

**David Denison**  
***Chair of the Board***

April 2, 2021



**ELEMENT FLEET MANAGEMENT CORP.**

**Notice of Annual Meeting of Shareholders  
May 12, 2021**

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 Wednesday, May 12, 2021 at 4:00 p.m. (Toronto time) (the "Meeting") via live audio webcast online at <https://web.lumiagm.com/262344144>. 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, 2020 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".

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 no later than Monday, May 10, 2021 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 2<sup>nd</sup> day of April, 2021.

By Order of the Board of Directors

A handwritten signature in blue ink, appearing to read "David Colman".

**David Colman**  
***Executive Vice President, General Counsel***  
***& Corporate Secretary***



**ELEMENT FLEET MANAGEMENT CORP.**

**Management Information Circular for Annual Meeting of Shareholders  
May 12, 2021**

**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 Wednesday, May 12, 2021 (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. 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/262344144>. 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 “efmc2021” (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 10, 2021 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.

#### *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](http://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 Monday, May 10, 2021 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](mailto: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 10, 2021. 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, 2020 and the auditors’ report thereon (the “Financial Statements”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the following website at [www.envisionreports.com/ELTQ2021](http://www.envisionreports.com/ELTQ2021). 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](mailto: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, 2021 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, 2021, the Corporation had 434,291,205 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, 2021 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, 2021, 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 ten. 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, 2020, and 2020 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 2019 and 2020, please refer to the Corporation's Annual Information Form dated March 23, 2020 and available at [www.sedar.com](http://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 42.

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 12, 2020, the resolution regarding executive compensation, substantially similar to the language provided below, was approved with 97.26% 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 2021 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 2020, filed with the securities regulatory authorities in Canada and available on SEDAR at [www.sedar.com](http://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, 2020 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.

Virginia Addicott – Independent Director					
Cleveland, Ohio, U.S.A.   Director since 2020   Age 57					
	<p>Ms. Addicott serves as a director of Element and is a member of the C&amp;R Committee and the Audit Committee. She was appointed as director in October 2020. Ms. Addicott is an experienced board director and CEO with a focus on transportation, logistics, and digital transformation. Ms. Addicott spent most of her professional career with FedEx, and recently retired after over 30 years with the company. She last served as CEO of FedEx Custom Critical. She also served as the Executive Officer responsible for the healthcare segment for FedEx globally. Since 2016, Ms. Addicott has been a member of the board of CDW - a \$16B multi-brand global technology solutions provider - where she was recruited for her operational and innovation experience. Ms. Addicott is also Chair of the Audit Committee and a member of the Nominating and Governance Committee at CDW. She is also currently a member of the Board of Trustees of Kent State University, and the Board of Directors of Akron Children's Hospital. Ms. Addicott earned a Bachelor of Science in Education degree, and an Executive MBA degree from Kent State University in Ohio. Throughout her career, Ms. Addicott has been recognized with numerous leadership and business awards.</p>				
	Board/ Standing Committee Memberships/2020 Attendance:		Board (2/2 100%), Audit (1/1 100%), C&R (1/1 100%)		
	Public Board Memberships in last five (5) years:		CDW Corporation (since 2016)		
	2020 Compensation:		\$53,209 <sup>(1)</sup> (100% in DSUs)		
	2020 Annual Meeting (votes for):		N/A		
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
2020	5,000	4,100	\$121,758 <sup>(2)</sup>	\$1,008,216 <sup>(3)</sup>	12%

(1) Compensation was paid in US dollars at a conversion rate from US dollars to Canadian dollars of 1.314.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## Andrew Clarke – Independent Director

Minneapolis, Minnesota, U.S.A. | Director since 2018 | Age 50



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 Big Lots, Inc., a retailer listed on the New York Stock Exchange, where he sits on the Nominating and Corporate Governance Committee, and a director of two private companies, Direct Chassis Link, Inc. and Rock-it Cargo USA LLC. Mr. Clarke was previously a director of several other 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/2020 Attendance:	Board (12/12 100%), Audit (4/4 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Big Lots, Inc. (since 2020) Blount International, Inc. (until 2016)
2020 Compensation:	\$217,513 <sup>(1)</sup> (100% in DSUs)
2020 Annual Meeting (votes for):	99.35%

### 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
2020	15,000	56,440	\$955,867 <sup>(2)</sup>	\$1,008,216 <sup>(4)</sup>	95%
2019	15,000	35,547	\$560,566 <sup>(3)</sup>	\$1,028,650	54%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

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

Toronto, Ontario, Canada | Director since 2018 | Age 68



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 serves as an Advisor to The Government of Singapore Investment Corporation, Sagard Holdings, and Whitehorse Liquidity Partners.. 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/2020 Attendance:	Board (12/12 100%), C&CG (6/6 100%)
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)
2020 Compensation:	\$396,089 <sup>(1)</sup> (100% in DSUs)
2020 Annual Meeting (votes for):	99.26%

### 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
2020	30,621	80,203	\$1,482,825 <sup>(2)</sup>	\$2,138,640 <sup>(4)</sup>	69%
2019	30,621	42,654	\$812,620 <sup>(3)</sup>	\$2,181,984	37%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## Jay Forbes – Executive Director

Chester Basin, Nova Scotia, Canada | Director since 2018 | Age 60



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/2020 Attendance:	Board (12/12 100%)
Public Board Memberships in last five (5) years:	Manitoba Telecom Services Inc. (until 2017)
2020 Compensation:	Board compensation is not paid to executive officers. See “Summary Compensation Table” for Mr. Forbes’ compensation as CEO of Element.
2020 Annual Meeting (votes for):	99.996%

### Securities held at fiscal year end<sup>(1)</sup>

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
2020	400,000	—	\$5,352,000 <sup>(2)</sup>	N/A <sup>(4)</sup>	N/A <sup>(2)</sup>
2019	300,000	—	\$3,327,000 <sup>(3)</sup>	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, 2020 (\$13.38).
- (3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2018 (\$11.09).
- (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 59



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/2020 Attendance:	Board (12/12 100%), Audit (4/4 100%), C&CG (6/6 100%)
Public Board Memberships in last five (5) years:	B.E.S.T Total Return Fund, Inc. (until 2019) and Redknee Solutions Inc. (until 2017)
2020 Compensation:	\$217,513 <sup>(1)</sup> (50% in DSUs)
2020 Annual Meeting (votes for):	98.88%

### 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
2020	100,000	45,654	\$1,948,851 <sup>(2)</sup>	\$1,008,216 <sup>(4)</sup>	193%
2019	100,000	34,826	\$1,495,220 <sup>(3)</sup>	\$1,028,650	145%

- (1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.
- (2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).
- (3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).
- (4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

**Alexander D. Greene – Independent Director**

Armonk, New York, U.S.A. | Director since 2018 | Age 62



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/2020 Attendance:	Board (12/12 100%), Audit (4/4 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2015), USA Truck, Inc. (since 2014)
2020 Compensation:	\$217,513 <sup>(1)</sup> (100% in DSUs)
2020 Annual Meeting (votes for):	97.17%

**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
2020	50,000	56,440	\$1,424,167 <sup>(2)</sup>	\$1,008,216 <sup>(4)</sup>	141%
2019	45,000	35,547	\$893,266 <sup>(3)</sup>	\$1,028,650	87%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## Joan Lamm-Tennant – Independent Director

Fairfield, Connecticut, U.S.A. | Director since 2014 | Age 68



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 founder and former Chief Executive Officer 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, from 2007 to 2016 and President of GenRe Capital Consultants from 1997 to 2007, 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/2020 Attendance:	Board (12/12 100%), C&CG (6/6 100%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2018), Equitable Holdings, Inc. (since 2020)
2020 Compensation:	\$ 224,227 <sup>(1)</sup> (100% in DSUs)
2020 Annual Meeting (votes for):	99.52%

### 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
2020	30,277	189,472	\$2,940,242 <sup>(2)</sup>	\$1,008,216 <sup>(4)</sup>	292%
2019	30,277	165,058	\$2,166,265 <sup>(3)</sup>	\$1,028,650	211%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## Rubin J. McDougal – Independent Director

Alpine, Utah, U.S.A. | Director since 2018 | Age 64



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/2020 Attendance:	Board (12/12 100%), C&R (4/4 100%)
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Public Board Memberships in last five (5) years:	Nil
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2020 Compensation:	\$224,227 <sup>(1)</sup> (100% in DSUs)
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2020 Annual Meeting (votes for):	99.996%
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### 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
2020	23,000	60,453	\$1,116,601 <sup>(2)</sup>	\$1,028,650 <sup>(4)</sup>	109%
2019	23,000	38,867	\$686,105 <sup>(3)</sup>	\$1,028,650	67%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## Arielle Meloul-Wechsler – Independent Director

Montreal, Quebec, Canada | New nominee | Age 53



Ms. Meloul-Wechsler is Executive Vice President, Chief Human Resources Officer and Public Affairs at Air Canada, and has been a member of Air Canada's Executive team since 2013. She has oversight for all human resources and culture change initiatives across the company, labour relations, customer service training, as well as internal and external communications, government relations and community investments. Before her work in Human Resources, Ms. Meloul-Wechsler was Assistant General Counsel and Director of Legal Services at Air Canada from 1997 to 2011 and prior to joining Air Canada she practiced law at Davies Ward Phillips & Vineberg. Ms. Meloul-Wechsler is a Member of the Conseil du Patronat, and is a Board member of the Air Canada Foundation, the National Airlines Council of Canada and the Canadian American Business Council. She was also elected President of Airline People Directors' Council (APDC) in 2017, Ms. Meloul-Wechsler holds a Civil Law degree from the Université de Montreal, a Bachelor of Science degree in Psychology from McGill University, and has been a member of the Quebec Bar since 1993.

Board/ Standing Committee Memberships/2020 Attendance:	N/A
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Public Board Memberships in last five (5) years:	Nil
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2020 Compensation:	N/A
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2020 Annual Meeting (votes for):	N/A
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## Andrea Rosen – Independent Director

Toronto, Ontario, Canada | Director since 2019 | Age 66



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 Varsity 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/2020 Attendance:	Board (12/12 100%), C&CG (6/6 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Ceridian HCM Holding Inc. (since 2018), Manulife Financial Corporation (since 2011) and Emera Inc. (since 2007)
2020 Compensation:	\$217,513 <sup>(1)</sup> (100% in DSUs)
2020 Annual Meeting (votes for):	99.53%

### 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
2020	10,000	33,776	\$585,723 <sup>(2)</sup>	\$1,008,216 <sup>(4)</sup>	58%
2019	—	13,381	\$148,395 <sup>(3)</sup>	\$1,028,650	14%

(1) Compensation was paid in US dollars at an average conversion rate from US dollars to Canadian dollars of 1.343.

(2) Value is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(3) Value is based on the closing price of the Common Shares on the TSX on December 31, 2019 (\$11.09).

(4) Based on a conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020.

## **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) an independent director of 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](http://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.

## **2020 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 2020.

## **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 three directors including each skill in their top six selections.

	Virginia Addicott	Andrew Clarke	David Denison	Jay Forbes	Keith Graham	Alexander Greene	Joan Lamm-Tennant	Arielle Melouli-Wechsler	Rubin McDougal	Andrea Rosen
Accounting / Finance		X			X	X	X		X	X
Business-to-Business		X		X					X	
Business Transformation	X		X	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		X
Information Technology	X		X	X						
International Business	X		X				X	X	X	X
Mid/Large Company Senior Executive	X	X	X	X	X		X	X		
Operations Management	X		X	X						
Strategic Planning	X	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 \$1,008,216 and \$2,138,640, respectively, based on the conversion rate from US dollars to Canadian dollars of 1.273 as published by the Bank of Canada on December 31, 2020). 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 did not seek re-approval of the Option Plan at the 2019 annual 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 harmonize compensation across directors who bring a global, diverse set of skills and experiences. For fiscal year 2020, the C&CG Committee and the Board determined to keep director compensation at the same level as 2019 (variations in the table are a result of exchange rates as described below).

Fee Description <sup>(1)(2)</sup>	2018 Amounts <sup>(3) (4)</sup>	2019 Amounts <sup>(5) (6)</sup>	2020 Amounts <sup>(7)</sup>
Annual Board Chair Retainer	\$280,000	\$372,960	\$376,040
Annual Board Retainer	\$132,000	\$175,824	\$177,276
Committee Member Retainer	\$20,000	\$19,980	\$20,145
Committee Chair Retainer	\$35,000	\$46,620	\$47,005
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, 2018, the Board approved reduced director compensation for non-executive directors of the Corporation.
- (4) 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.
- (5) 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.
- (6) Amounts are stated in Canadian dollars based on the conversion rate of 1.332, being the average exchange rate for director payments in 2019.
- (7) Amounts are stated in Canadian dollars based on the conversion rate of 1.343, being the average exchange rate for director payments in 2020.

Director compensation will remain the same for fiscal year 2021.

The following table sets forth all amounts of compensation earned by non-executive directors of the Corporation for fiscal year 2020.

Name <sup>(1)</sup>	Cash fees earned (\$)	Share-based awards <sup>(2)</sup> (\$)	Total (\$)
Virginia Addicott <sup>(3)</sup>		53,209	53,209
Andrew Clarke	—	217,513	217,513
Paul Damp <sup>(4)</sup>	56,016	168,211	224,227
David Denison	—	396,089	396,089
Keith Graham	108,757	108,757	217,513
Alexander Greene	—	217,513	217,513
Rubin McDougal	—	224,227	224,227
Andrea Rosen	—	217,513	217,513
Joan Lamm-Tennant	—	224,227	224,227

(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. Values are based on average exchange rate from US dollars to Canadian dollars of 1.343.

(3) Virginia Addicott was appointed as a director on October 7, 2020.

(4) Paul Damp has decided to retire from the Board and is not standing for re-election at the Meeting

### Outstanding Option-Based and Share-Based Awards

The following table sets out all share-based (DSU) awards outstanding as of December 31, 2020 for all non-executive directors of the Corporation. There are no option-based awards or unvested share-based awards outstanding for any non-executive directors.

Name	Share-based Awards
	Market or payout value of share-based awards not paid out or distributed <sup>(1)</sup> (\$)
Virginia Addicott	\$55,139
Andrew Clarke	\$755,167
Paul Damp	\$1,479,895
David Denison	\$1,073,116
Keith Graham	\$610,851
Alexander Greene	\$755,167

Name	Share-based Awards
	Market or payout value of share-based awards not paid out or distributed <sup>(1)</sup> (\$)
Joan Lamm-Tennant	\$2,535,135
Rubin McDougal	\$808,861
Andrea Rosen	\$451,923

(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, 2020 (\$13.38).

### Value Vested or Earned During the Year

The table below sets out all Element DSUs held by non-executive directors of the Corporation that vested or earned but have not been paid out as of December 31, 2020. There are no Element Options held by non-executive directors.

Name	Share-based awards – Value vested during the year (\$) <sup>(1)</sup>
Virginia Addicott	53,213
Andrew Clarke	220,666
Paul Damp	172,626
David Denison	401,823
Keith Graham	110,327
Alexander Greene	220,666
Joan Lamm-Tennant	227,474
Rubin McDougal	227,474
Andrea Rosen	220,666

(1) Share awards are the DSUs awarded in 2020. 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 ten directors: Virginia Addicott, Andrew Clarke, Paul Damp, David Denison, Jay Forbes, Keith Graham, Alexander Greene, Joan Lamm-Tennant, Rubin McDougal and Andrea Rosen. 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. Mr. Damp is not standing for re-election to the Board at the Meeting and Arielle Meloul-Wechsler, an independent nominee, has been nominated. 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 ten directors, nine 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 five directors of the Corporation, Paul Damp (Chair), Virginia Addicott, Andrew Clarke, Keith Graham, Alexander Greene, each of whom is considered to be independent and financially literate for purposes of NI 52-110. With Mr. Damp not standing for re-election at the Meeting, Keith Graham will take over the role of Chair following the Meeting, and Arielle Meloul-Wechsler, who is considered to be independent and financially literate for purposes of NI 52-110, will join the Audit Committee. 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 3, 2021, a copy of which is available on SEDAR at [www.sedar.com](http://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. With Keith Graham taking on the role of Chair of the Audit Committee following the Meeting, Arielle Meloul-Wechsler, who is considered to be independent as defined in NI 58-101, will take his place on the C&CG Committee. 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 former 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 and the Chief Executive Officer, and of the executives (as recommended by the Chief Executive Officer). 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 five directors, Rubin McDougal (Chair), Virginia Addicott, Andrew Clarke, Alexander Greene and Andrea Rosen, each of whom is 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 ten members, a majority of whom are "independent directors" within the meaning of NI 58-101. The nine independent directors are currently Virginia Addicott, Andrew Clarke, Paul Damp, David Denison, Keith Graham, Alexander Greene, Joan Lamm-Tennant, Rubin McDougal and Andrea Rosen. Mr. Forbes is not independent for the purposes of NI 58-101 because he is a member of management of Element. Mr. Damp is not standing for re-election at the Meeting and Arielle Meloul-Wechsler, who will qualify as independent, has been nominated. 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 ten members, consisting of nine 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.

### **Strategic Oversight**

One of the Board's primary areas of focus is working with management to set the strategic direction for the Corporation and ensure that the organization is well positioned to achieve its strategic objectives. For 2020, this included the successful completion of Element's transformation and the pivot to Element's growth strategy. The Board engaged with management on several occasions to review management's assessment of the fleet management industry, test assumptions and align on management's go-to-market strategies. By undertaking this comprehensive review, the Board worked with management to shape the Corporation's plans for growth.

In addition, the Board undertakes a comprehensive review and approval process of Element's Global Balanced Scorecard, which distils the Corporation's strategic objectives into key metrics, targets and performance ranges, all onto a single page. Element's progress is reviewed at each Board meeting with a mid-year review conducted for completeness. The Board also reviews and approves the annual objectives of the Chief Executive Officer and reviews progress against those objectives on a quarterly basis. The Board Chair also regularly meets with the Chief Executive Officer to discuss Element's key strategic objectives and ensures that important topics are brought forward for discussion with the Board.

## **Risk Management**

The Board takes an active role in overseeing Element's risk management practices. The C&R Committee receives quarterly updates from management on Element's key risks, including an assessment of the likelihood and impact of the risk and management's risk mitigation strategies. The C&R Committee engages in discussion with management and then reports to the full Board with any material information. In 2020, the C&R Committee also assisted management with the creation of an Enterprise Risk Index which is a new metric on Element's 2021 Global Balanced Scorecard and will help the Corporation monitor its risk profile, track its mitigation efforts and help inform course-correction as required. The C&R Committee will review the Corporation's performance with respect to the Enterprise Risk Index on a quarterly basis.

## **Environment, Social, Governance (ESG)**

A key area of focus for the Board and management is the Corporation's ESG strategy. Throughout 2020, management worked with the Board to assess Element's current ESG performance, determine its ESG strategy and align on priorities for the Corporation. Element's ESG priorities include carbon emissions of its fleets, safety of its clients and their drivers, diversity of its suppliers and employees and strong corporate governance. Element recently published its inaugural annual ESG Report, which is available on Element's website (<https://www.elementfleet.com/about-us/investor-relations/esg-report>) and describes Element's ESG strategy and objectives. The ESG Report also includes Element's ESG Scorecard which reports on key measures that the Corporation is using to evaluate its performance against its ESG targets. The Board and Management will continue to evaluate the ESG landscape and the various reporting standards to ensure that Element's annual ESG Report and other disclosures are relevant, informative and consistent with market standards.

## **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 has achieved a Board composition in which each gender comprises a minimum of 30% of all independent directors of the Corporation. 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, four of nine independent directors (44%) on the Board will be women.

In addition to gender diversity, the Board is committed to ensuring that it achieves a broad range of diversity, including the addition of Black, Indigenous, and people of color (BIPOC) directors to the Board. While we advocate using specific terms whenever possible, as we are working to further our diverse representation efforts, we are utilizing BIPOC as an umbrella term inclusive of visible diversity, e.g., race and ethnicity. The C&CG Committee has made the identification of BIPOC candidates a key search criterion in the director selection and nomination process. Following the Meeting and assuming that all nominees for director are elected, one of nine independent directors (11%) on the Board will be BIPOC.

## **Management**

Element believes that 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 considers 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 with Element. 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 - from ethnicity, race, and gender, to age, ability, sexual orientation, military status, education, cultural backgrounds, and beliefs
- 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, 2021, one of the ten (10%) Corporation executives are women and two of the ten (20%) Corporation executives are BIPOC. In addition, approximately 33% of vice-presidents are women, approximately 50% of the employees that have been identified as "high potential" are women and approximately 50% of all employees are women. Effective Jan. 2021, Diversity & Inclusion is a measure on Element's Global Balanced Scorecard as we aim to attract, develop and retain a diverse workforce. Specifically, we are measuring progress to hire and retain female and BIPOC high performers. We have set targets and a performance range that applies globally to our organization. We are striving to improve gender parity in the hiring process and have BIPOC hiring reflect the diverse makeup of our communities. Measuring talent joining and exiting the organization helps us create accountability with hiring managers and provides insights to formulate actions and initiatives to support diverse practices and affect positive change.

## **Shareholder Engagement**

The Board believes that directly engaging with Shareholders is an important component of the Board's governance role and the Board engages with Shareholders in a number of different ways. One method of engagement is through direct meetings with Shareholders, an example of which is the Chair meeting directly with one of the Corporation's large Shareholders in 2020. Shareholders are encouraged to pursue engagement with the Board directly by contacting the Chair at [ddenison@elementcorp.com](mailto:ddenison@elementcorp.com), or by reaching out to Michael Barrett, Element's Vice President of Investor Relations, at [mbarrett@elementcorp.com](mailto:mbarrett@elementcorp.com).

In addition to direct engagement, the Board engages with Shareholders in various other ways. For example, the Board invited ESG experts from two of its largest Shareholders to speak to the Board and management about the ESG landscape, helping inform Element's ESG strategy. The Board also met directly with the Canadian Coalition for Good Governance to discuss governance best practices which confirmed the strong governance practices at Element.

## **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 2020, all of the directors participated in numerous stand-alone sessions on COVID-19, including the global outlook for the pandemic, the trajectory of infection rates in the jurisdictions in which Element operates, the government response with respect to lock-downs and other restrictions as well as support for business and individuals and Element's planning with respect to virtual and in-person work for its employees. All of the directors also participated in a stand-alone education session on the global ESG landscape, the various reporting standards that have been adopted in the market, the World Economic Forum's initiative towards a set of unified metrics and reporting standards and how the foregoing has been incorporated into Element's ESG strategy. At this session Element's experts on diversity and inclusion and electric vehicles advised the Board on the latest developments in the market in these areas and gave the Board an update on how those topics were being addressed at Element. This was a valuable follow-up session to a previous session the Board held with ESG experts from two of the Corporation's large Shareholders. In addition, as part of the Board's quarterly meetings, they received an in-depth review of the fleet management industry in the United States, Canada, Mexico, Australia and New Zealand and Element's competitive position therein, an analysis of Element's information technology systems and improvement plans, a review of the U.S. and Canadian capital markets and Element's capital allocation strategy and a detailed review of Element's key transformation initiatives, including how they are identified and how their impact is measured.

The Corporation also routinely has the Board conduct site visits at various Element locations throughout the year. While the COVID-19 pandemic has impacted this practice in 2020 and will continue to do so in 2021, the Board expects to continue visiting Element locations once the pandemic is over.

### **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 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](mailto:ddenison@elementcorp.com) or the Chair of the Audit Committee via email at [kgraham@elementcorp.com](mailto:kgraham@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](http://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.

### **Related Party Transactions**

From time to time, special committees of the Board may be and have been appointed to consider special issues and in particular, any issues that may involve related party transactions. A special committee of the Board may retain outside advisors at the Corporation's expense in appropriate circumstances. Any director who has a material interest in a transaction or agreement involving Element must disclose the interest to Chair of the Board, and does not participate in any discussions or votes on the matter. No material corporate decision or decision involving a potential conflict of interest can be approved by the Board without the approval of the independent directors. There were no transactions in 2020 that required the creation of a special committee of the Board.

**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 2020 performance, CEO compensation decisions and key changes to the executive compensation programs for 2021. Element continues to align compensation programs and outcomes to business results, reinforcing pay for performance, and the creation of long-term sustainable shareholder value.

**Successful Completion of Transformation**

Despite the considerable challenges presented by the global pandemic, Element remained focused on the advancement of its three prong strategy for transformation announced in the fall of 2018: transform the core fleet business, strengthen our financial position and exit from non-core investments. With the support of our investors, invaluable input from our clients, and the tremendous work ethic of our people, we have successfully completed our transformation, enabling a consistent, superior service experience for our clients.

In just 27 months, we strengthened our market-leading platform, increased client satisfaction and employee engagement, all while driving down costs and improving profitability. We de-leveraged our balance sheet and matured our capital structure. Finally, we exited all non-core investments to enable the entire company to focus its energy and resources on growing our business.

While Element did not go unscathed by COVID-19, our diversified blue-chip client base and resilient business model enabled us to deliver solid financial and operating performance throughout 2020. We are extremely proud of the way our management team responded to the challenges presented by the pandemic, ensuring the safety and well-being of our people and continuing to look after our clients and partners.

With Transformation complete, we enter 2021 with a robust and scalable operating platform, a true investment-grade balance sheet and a singular focus on profitably growing our fleet management business.

**Pay for Performance**

The Board and Management are committed to ensuring the alignment of executive compensation with Element's strategic objectives and the creation of long-term sustainable value for our shareholders.

Incentive compensation continues to be tightly linked to performance. 2020 short-term incentive awards for the Chief Executive Officer (CEO) and other NEO's are directly linked to key strategic objectives and metrics, as represented on Element's 2020 Global Balanced Scorecard, with at least 50% based on financial results. Despite Management's strong performance in 2020, COVID-19 impacted the scorecard and resulting short-term incentive payouts, however the Board did not apply discretion to payouts, further reinforcing pay for performance.

Long-term incentives granted to NEOs in 2020 were awarded in the form of: i) performance share units tied to Total Shareholder Return against the S&P/TSX Composite Index; and ii) restricted share units with a 3-year cliff vesting. The 2020 PSU grant is 100% at risk & the CEO and other NEOs received 75% of their 2020 LTIP grant in PSUs.

Based on actual performance relative to established objectives for the three-year performance period ended December 31, 2020, the 2018 PSUs paid out based on a payout factor of 163% of target, in line with the 185% increase in TSR during this period, further reinforcing pay for performance.

## **CEO Compensation**

On an annual basis, the Compensation and Corporate Governance Committee reviews executive pay benchmarking analysis and considers corporate and individual performance to make informed decisions on CEO compensation and to ensure compensation is fair and aligned with corporate performance and the shareholder experience. Since his appointment in 2018, the CEO has provided exceptional leadership, putting the right strategy, structure and people in place to successfully execute the wholesale transformation of this company and, in doing so, strengthen its operating platform, balance sheet and future growth prospects. Further, his leadership of this organization through the pandemic allowed Element to significantly advance its strategic objectives all-the-while serving the needs of its clients and employees.

There was no change to the CEO's salary (\$1,000,000) or target total compensation (\$4,000,000) in 2020.

For 2020 performance, the Board awarded the CEO an annual short-term incentive award of 118% of target, based on the composite result of 6 key objectives pre-defined on Element's 2020 Global Balanced Scorecard.

In recognition of the significant accomplishments in 2019 and the ambitious plans for 2020 and beyond, the Board exercised their discretion and granted long-term incentives at 175% of target, granted in March 2020 (\$3,500,000).

Effective January 1, 2021, the Board approved an increase to the CEO's target LTIP (from \$2,000,000 to \$3,000,000) in recognition of Mr. Forbes' significant leadership and achievement of critical transformation milestones. This brings his 2021 total target compensation to \$5,000,000, continuing to remain competitive with the market for experienced and high performing CEOs.

## **Compensation Program Changes and Governance Enhancements**

With the commitment to continuous improvement and leading governance, the C&CG Committee approved the following changes to the incentive plan design and governance beginning in 2021:

- Amended the Share Unit Plan to incorporate a pro-rata vesting of units (from full vesting) upon a termination without cause for all units granted in 2021 & beyond.
- Implemented a retirement definition that includes a good leaver provision, is aligned with market practice and that acknowledges contribution over a reasonable period of time as deemed appropriate for Element.

## **CFO Transition**

In accordance with Element's previously announced CFO succession plan, Frank Ruperto joined Element on January 25, 2021 as EVP Finance, and assumed the role of EVP & CFO on March 5, 2021. Mr. Ruperto's compensation is competitive with CFO compensation against the relevant peer group and will be disclosed in next year's proxy circular. On behalf of the Board, we would like to take this opportunity to thank Mr. Culmone for his contributions to Element's transformation of our business and welcome Mr. Ruperto to Element.

## **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 2021, 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](mailto:ddenison@elementcorp.com) or Joan Lamm-Tennant, Chair of the Compensation and Corporate Governance Committee by email at [joan.lamm-tennant@elementcorp.com](mailto: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 2020. The following also summarizes certain changes that have been approved for the executive compensation program in 2021. This year, we have decided to disclose the top five paid executive officers of the Corporation as well as the executive officer of the Corporation’s subsidiary, Custom Fleet to provide full transparency of top-paid officers.

Our six NEO’s for fiscal year 2020 were:

<b>Named Executive Officers for 2020</b>	
Jay Forbes	President & Chief Executive Officer
Vito Culmone	Executive Vice President & Chief Financial Officer <sup>(1)</sup>
Jim Halliday	Executive Vice President & Chief Operating Officer
Aaron Baxter	Executive Vice President, Custom Fleet
Vineet Gupta	Executive Vice President & Chief Technology Officer
Jacqui McGillivray	Executive Vice President & Chief People Officer

(1) Vito Culmone’s last day at Element was March 5, 2021.

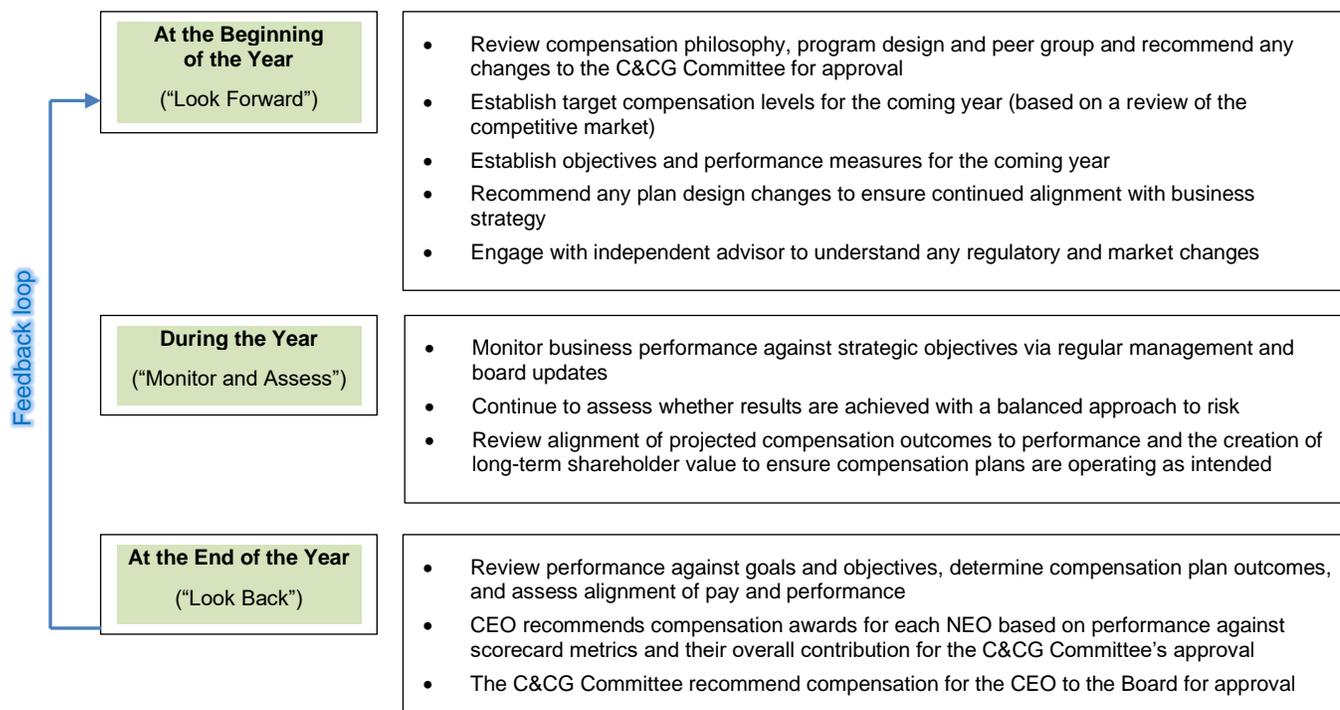
### **Our Approach to Compensation**

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:

<b>Align with business strategy</b>	<ul style="list-style-type: none"> <li>Link total rewards directly to Element’s Balanced Scorecard results through the design of the incentive programs and management of individual performance assessments</li> </ul>
<b>Pay for performance</b>	<ul style="list-style-type: none"> <li>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</li> <li>Enable managers to reinforce a clear and constant link between performance expectations and pay decisions</li> </ul>
<b>Reasonable &amp; non-excessive</b>	<ul style="list-style-type: none"> <li>Apply the appropriate safeguards to ensure compensation is reasonable and aligned to Element’s financial and market performance</li> </ul>
<b>Competitive</b>	<ul style="list-style-type: none"> <li>Enable Element to attract, retain, and motivate the right talent, with the flexibility to reward critical talent appropriately</li> <li>Target total compensation near 50<sup>th</sup> percentile for expected levels of performance, with the opportunity to pay above or below market based on performance and role</li> </ul>

## 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.



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 2020 as well.

Hugessen provided independent advice to the C&CG Committee on the following topics in 2020:

- 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 Committee for all board-related compensation work.

Willis Towers Watson (“WTW”) was accountable to the C&CG Committee for all board-related compensation work until July 2019 (prior to Hugessen’s engagement). In 2020, they provided support to the C&CG Committee by updating the peer group financials.

Some of the work completed by WTW in 2019 is also 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. This includes assisting in the redesign of the sales incentive compensation plan, which kicked off in 2019 and was rolled out in 2020. 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	
	2020	2019	2020	2019
Hugessen Consulting	\$138,555	\$73,212	Nil	Nil
Willis Towers Watson	\$918	\$120,028	\$36,392	\$158,433

### 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, 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. For Australia & New Zealand (ANZ) we use local market data.

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 & 2020. Management will continue to assess the validity of the peer group on an annual basis.

Element’s peer group for 2020 consisted of the following organizations:

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

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

<b>Sound pay practices at Element:</b>	
<ul style="list-style-type: none"> <li>• 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</li> <li>• Alignment of compensation program design with business strategy, with short-term incentive tied to Balanced Scorecard objectives</li> <li>• Benchmark compensation against peer companies</li> <li>• Ensure executive alignment with shareholder interests through Equity Ownership Requirements</li> <li>• Board has the ability to claw back compensation in cases of financial re-statement or misconduct</li> <li>• Periodic risk review of compensation plans</li> <li>• Engage independent compensation consultants to assess our executive compensation programs</li> <li>• Include caps on short-term and long-term incentive performance factors</li> <li>• Annually hold a shareholder Say on Pay vote on our executive compensation practices</li> <li>• Double trigger provision upon a change in control</li> </ul>	
<b>We do not permit the following problematic pay practices:</b>	
<ul style="list-style-type: none"> <li>• Hedging or monetizing of equity awards</li> <li>• Re-pricing of stock options or granting of options below current market value</li> <li>• Providing severance greater than two years upon a change in control</li> <li>• Providing multi-year incentive compensation guarantees</li> </ul>	

## Compensation Components

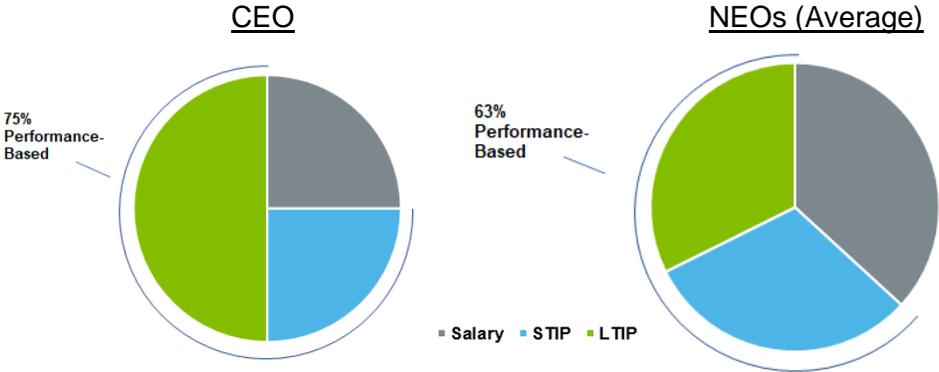
Total compensation for Element executives (including NEOs) is comprised of the components outlined in the table below. There are no pension or similar retirement plans at Element.

<b>Component</b>	<b>Compensation Type</b>	<b>Objective</b>	<b>Description</b>
<b>Base Salary</b>	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
<b>Short-term Incentive (STIP)</b>	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.
<b>Long-term Incentive (LTIP)</b>	Performance-based  Variable  At-risk	Align executives with medium- and long-term interests of shareholders  Attract and retain the right talent	In 2020 NEOs were granted awards under the following plans:  <b>Performance Share Units</b>  PSUs with a three-year cliff vest. The performance factor is calculated based on the relative 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.  <b>Restricted Share Units</b>  Restricted Share Units for NEOs have a three-year cliff vest.
<b>Benefits &amp; Perquisites</b>	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, 401(k) or superannuation.  As at December 31, 2020, 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.



**2020 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	2020 Base Salary (\$)
Jay Forbes	1,000,000
Vito Culmone	625,000
Jim Halliday <sup>(1)</sup>	710,995
Aaron Baxter <sup>(2)</sup>	485,757
Vineet Gupta	500,000
Jacqui McGillivray	425,000

(1) Base salary of USD \$530,000 converted to CAD using the average 2020 FX rate of 1.3415.

(2) Base salary of AUD \$525,313 converted to CAD using the average 2020 FX rate of 0.9247.

### **Short-term Incentives – Annual Incentive**

The 2020 STIP aligns to Element’s Global Balanced Scorecard, assigning relative weightings to strategic objectives which in turn modify the annual incentive payout based on actual 2020 performance.

The Balanced Scorecard drives focus, clarifies accountability and creates a tighter linkage between performance and pay. The 2020 Balanced Scorecard reflects Element’s focus on completing the transformation and pivot to growth in 2021.

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

$$\begin{array}{|c|} \hline \text{Base Salary} \\ \hline (\$) \\ \hline \end{array}
 \times
 \begin{array}{|c|} \hline \text{Target Bonus} \\ \hline (\% \text{ of salary}) \\ \hline \end{array}
 \times
 \begin{array}{|c|} \hline \text{Balanced} \\ \text{Scorecard} \\ \hline \text{Result} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{STIP Award} \\ \hline (\$) \\ \hline \end{array}$$

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 2020, all executives & employees within the Corporation, including the CEO, are measured on Element’s Global Balanced Scorecard performance. Aaron Baxter, EVP, Custom Fleet was measured against Custom Fleet’s Balanced Scorecard performance.

## 2020 Global Balanced Scorecard and Short-term Incentive Results

For 2020, 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	CTO	CPO
Our Clients	Operational Effectiveness Index	-	-	20%	20%	-
	Net Promoter Score	10%	10%	10%	10%	10%
	Profitable Revenue Growth	20%	10%	10%	10%	10%
Our Business	Annual pre-tax run-rate profit improvement actioned & delivered	20%	30%	25%	25%	30%
Our People	Employee engagement index	10%	10%	10%	10%	25%
Our Investors	Adjusted EPS	25%	25%	25%	25%	25%
	Tangible leverage ratio	15%	15%	-	-	-

The C&CG Committee and Board review and approve the 2020 Global Balanced Scorecard, with particular attention to those metrics tied to compensation. At each C&CG Committee meeting, Element's balanced scorecard and short-term incentive performance is reviewed and discussed. In July, management engages the C&CG Committee in a mid-year review of BSC targets and shoulders to assess their reasonableness in the context of the first-half results. All compensation-tied BSC metrics are audited on an annual basis as part of our year end financial audit. Our strategic objectives and measurement of the corresponding metrics are outlined in the table below.

Dimension	Strategic Objective	Metric	Measurement
<b>Our Clients</b> <i>Consistently deliver a superior experience and exceptional value for our clients.</i>	Consistently meet service commitments	Operational Effectiveness Index	Weighted average of ten sub-indexes representing key areas of Operations. Measures are allotted based on common SLAs.  Results are directly pulled from Element's transaction database and for additional governance, a quarterly audit check is conducted on all operational metrics.
	Earn our clients' loyalty	Net Promoter Score	Calculated based on a response to a single question on the NPS survey, which is sent to Element's clients on a quarterly basis. A quarterly audit check is conducted on survey results.
	Earn our clients' and prospective business	Profitable Revenue Growth	Measures the Net Revenue line item on income statement.
<b>Our Business</b> <i>Improve the productivity of our business.</i>	Transform our business	Annual pre-tax run-rate profit improvement actioned & delivered	Measures the week-by-week, month-by-month success of our ongoing transformation program in terms of annual pre-tax run-rate profit improvements actioned and delivered. All initiatives are validated by FP&A once actioned and delivered to the operating income line item.

Dimension	Strategic Objective	Metric	Measurement
<b>Our People</b> <i>Build a more engaged and accountable workforce.</i>	Deepen employee engagement	Employee engagement index	Survey is outsourced to a third-party company who manage the survey for governance purposes & data integrity. The Engagement Index “score” reflects employees’ responses to 5 equally weighted survey questions.
<b>Our Investors</b> <i>Generate an appropriate return for our investors.</i>	Grow profitably	Adjusted EPS	Measures the profitability of the business; specifically, the amount of after-tax adjusted operating income attributable to common shareholders per issued and outstanding common share of Element.
	Maintain ready access to cost-efficient capital	Tangible leverage ratio	Reflects the overall financial stability of the organization. It is reviewed and assessed by rating agencies, lenders and debt investors.

2020 performance factors were based on audited results approved by the Board, compared to the 2020 threshold, target and outperform goals set by the Corporation and approved by the Board at the beginning of the year. As this information is commercially sensitive, and to maintain confidentiality, we do not disclose certain BSC metric targets and shoulders publicly.

Dimension	Metric	2020 Actual Achievement	2020 Performance Factor
<b>Our Clients</b>	Operational Effectiveness Index	On Target	1.00
	Net Promoter Score	Above Target	1.30
	Profitable Revenue Growth	Above Threshold	0.75
<b>Our Business</b>	Annual pre-tax run-rate profit improvement actioned & delivered	Outperform	2.00
<b>Our People</b>	Employee engagement index	Outperform	2.00
<b>Our Investors</b>	Adjusted EPS	Below Threshold	0.00
	Tangible leverage ratio	Outperform	2.00

Despite the challenging circumstances created by the pandemic, we stayed the course in our advancement of Element's strategic objectives, successfully concluding the execution of our three-prong strategic plan and exceeding all but 2 of our 15 targets in our global Balanced Scorecard for 2020.

- **Our Clients** rely on our expertise to identify and action productivity improvements, making our value proposition even more compelling through the economic distress wrought by COVID-19. In 2020, we identified over \$1.5 billion of productivity improvement opportunities for our clients, a quarter of which our clients actioned. This and more is reflected in our growing global Net Promoter Score, reinforcing the loyalty of our clients.
- **Our Business** has steadily recovered across most of our operational areas, with transaction volumes approaching pre-COVID levels. We completed 2020 having actioned a cumulative \$208 million of annual run-rate, pre-tax operating income improvements – a

15.5% overachievement of our \$180 million Transformation end-goal – and delivered \$133 million of profit enhancement in 2020 alone.

- **Our People** continue to deliver a consistent, superior service experience for our clients, and are our greatest competitive differentiator. Employee engagement increased from 75% to 86% over the course of our Transformation (as measured by our Employee Engagement survey), representing a significant increase in the satisfaction that our people feel working at Element.
- **Our Investor** efforts and outcomes were reflected through our achievement of our year-end target of a sub-6.0 tangible leverage ratio in 2020, measuring 5.74x at December 31. 2020 Adjusted EPS result of \$0.84 was below the threshold goal of \$0.90 and tangible leverage ratio of 5.74x was above the outperform goal of 5.75x. In 2021 Element has published its first ESG report and created an ESG Scorecard to ensure management focus on ESG priorities including the carbon emissions of its fleets, safety of its clients and their drivers, diversity of its suppliers and employees, and strong corporate governance. 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.

### 2020 Custom Fleet Balanced Scorecard and Short-term Incentive Results

For 2020, the compensation-tied metrics from the Custom Fleet balanced scorecard and the respective weightings for the EVP, Custom Fleet are outlined in the table below.

Dimension	Custom Fleet Specific Metric	EVP, Custom Fleet Weighting
Our Clients	Operational Effectiveness Index	15%
	Net Promoter Score	10%
	Profitable Revenue Growth	15%
Our Business	Annual pre-tax run-rate profit improvement actioned & delivered	30%
Our Investors	Adjusted Operating Income	30%

The Custom Fleet 2020 performance factor was based on final results compared to the approved 2020 threshold, target and outperform goals.

Dimension	Custom Fleet Specific Metric	2020 Custom Fleet Actual Achievement	2020 Performance Factor
Our Clients	Operational Effectiveness Index	Outperform	2.00
	Net Promoter Score	Above Target	1.04
	Profitable Revenue Growth	Above Target	1.09
Our Business	Annual pre-tax run-rate profit improvement actioned & delivered	Outperform	2.00
Our Investors	Adjusted Operating Income	Above Target	1.52

Despite the challenging global circumstances, Custom Fleet were able to achieve growth in net revenue, adjusted operating income and assets under management in ANZ. Origination volumes in ANZ increased through the period as Custom Fleet continued its swift recovery from the impacts of COVID-19 and, earlier in the year, wildfires in the region.

### 2020 Short-term Incentive Awards for Named Executive Officers

Performance in 2020 translated into STIP performance factors of 1.18 for the CEO and between 1.11 and 1.62 for the NEOs, demonstrating a strong link between performance and pay. The C&CG Committee has the authority to apply discretion to individual payouts if warranted. In 2020, the C&CG Committee felt the performance factors as calculated reflected performance appropriately and as such, no discretion was applied.

The table below outlines the annual STIP targets, performance factors, and final 2020 STIP awards for each of the NEOs.

Named Officer	2020 STIP Target (\$)	Performance Factor	2020 STIP Award (\$)
Jay Forbes	1,000,000	1.18	<b>1,180,000</b>
Vito Culmone	625,000	1.31	<b>818,750</b>
Jim Halliday <sup>(1)</sup>	710,995	1.11	<b>789,204</b>
Aaron Baxter <sup>(2)</sup>	364,318	1.62	<b>590,195</b>
Vineet Gupta	375,000	1.11	<b>416,250</b>
Jacqui McGillivray	318,750	1.31	<b>417,563</b>

(1) Target STIP of USD \$530,000 converted to CAD using the average 2020 foreign exchange rate of 1.3415.

(2) Target STIP of AUD \$393,985 converted to CAD using the average 2020 foreign exchange rate of 0.9247.

### 2021 Global Balanced Scorecard and Short-term Incentive Program

The 2021 Global Balanced Scorecard was approved by the Board in December 2020. Similar to 2020, for each BSC objective and metric, results will be assessed against defined threshold, target, and outperform levels of performance. Short-term incentive awards for the CEO and other NEOs continue to be tied to key BSC metrics across each of the four dimensions, aligned with their accountabilities and where they can have the greatest impact. 2021 BSC performance will determine the annual incentive payment for the CEO and NEOs, payable in 2022.

### ***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.

### 2020 Long-term Incentive Awards for Named Executive Officers

The table below summarizes LTIP targets & grants for 2020 and the different vehicles and relative value. For 2020, the target LTIP mix for the NEOs was 75% PSUs & 25% RSUs. The Board retains the discretion to award higher than target LTIP grants based on performance, potential and critical retention.



All 2020 LTIP grants to NEOs are summarized in the table below:

Named Officer	2020 Target LTIP Value (\$)	2020 Total LTIP Grant Value (\$)	PSUs (# granted)	RSUs (# granted)
Jay Forbes	\$2,000,000	\$3,500,000	206,963	68,988
Vito Culmone	\$781,250	\$781,250	46,197	15,399
Jim Halliday <sup>(1)</sup>	\$710,995	\$1,066,493	63,064	21,021
Aaron Baxter <sup>(2)</sup>	\$364,318	\$435,846	25,773	8,591
Vineet Gupta	\$375,000	\$468,750	27,718	9,239
Jacqui McGillivray	\$318,750	\$478,125	28,273	9,424

(1) Received an LTIP grant of USD \$795,000 converted to CAD using the FX rate of 1.3415 at the time of grant.

(2) Received an LTIP grant of AUD \$492,481 converted to CAD using the FX rate of 0.885 at the time of grant.

No stock options were exercised by the CEO or other NEOs in 2020 and have not been granted since 2019.

### 2020 Performance-based LTIP

The 2020 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
Below Threshold	Below P30	0%
Threshold	P30	50%
Target	P60	100%
Maximum	P80 and Above	200%

The PSU payout range in 2020 was widened (to 0% to 200%) to eliminate the 50% floor utilized in the 2019 plan design, resulting in PSUs being 100% “at risk”. Performance in between

minimum, target and maximum is interpolated. The challenging performance hurdles were established in order to incent performance aligned with the creation of long-term shareholder value.

Additionally, the 2020 PSU design continues 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 have a 3-year cliff vest.

#### 2021 Element Long-term Incentive Plan for Named Executive Officers

No changes were made to the 2021 LTIP design for NEOs.

#### Payment of 2018-2020 PSU Awards

In accordance with the Share Unit Plan, the 2018 PSUs vested on December 31, 2020. Actual performance relative to established objectives for the three-year performance period resulted in a payout factor of 163% 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 peers	25%	40P (0.25x)	65P (1x)	95P (2x)	200%
2018 Core EPS	25%	\$0.622 (0.5x)	\$0.655 (1x)	\$0.688 (2x)	200%
2018 Core Revenue		\$809M (0.5x)	\$852M (1x)	\$895M (2x)	124%
2019 Adjusted Core EPS	25%	\$0.70 (0.5x)	\$0.80 (1x)	\$0.90 (2x)	180%
2019 Pre-tax Profit Improvement		\$95M (0.5x)	\$100M (1x)	\$120M (2x)	200%
2020 Adjusted Core EPS	25%	\$0.90 (0.5x)	\$1.05 (1x)	\$1.20 (2x)	0%
2020 Annual Pre-tax		\$170M (0.5x)	\$180M (1x)	\$190M (2x)	200%
<b>Overall Score</b>					<b>163%</b>

Incorporating the impact of dividend equivalents received over the three-year performance period, the PSU performance at 163% of target and the fair market value of the Common Shares on the date of vesting, the actual payout value of the 2018 PSU grants to NEOs were as follows:

Name	PSUs Granted in 2018		Value as of December 31, 2020		
	Number Granted	Value <sup>(1)</sup> (\$)	Number of Accumulated PSUs <sup>(2)</sup>	Number of Accumulated PSUs times 163%	Payout Value (\$)
Jay Forbes	89,482	\$466,667	95,362	155,440	\$2,028,508
Vito Culmone	27,134	\$179,036	28,920	47,139	\$615,169
Jim Halliday	97,477	\$508,363	103,884	169,331	\$2,209,786
Jacqui McGillivray	55,454	\$7,052	7,425	12,102	\$157,932

(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 (CEO: \$5.22; CFO: \$6.5893; COO: \$5.22; CPO: \$7.8634)

(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 163% times the fair market value (average closing price of stock on the ten trading days prior to settlement) which, on December 31, 2020, was \$13.0501.

## 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 2020.

Compensation Element	2020 Target Compensation	2020 Actual Compensation
Base Salary	\$1,000,000	\$1,000,000
Short-term Incentive	\$1,000,000	\$1,180,000
Long-term Incentive	\$2,000,000	\$3,500,000
<b>Total Compensation</b>	<b>\$4,000,000</b>	<b>\$5,680,000</b>

The CEO established personal objectives aligned to the organization's strategic objectives and Global Balanced Scorecard and provided regular progress updates to the Board throughout the year. Based on the progress the Corporation made in the advancement of its strategic objectives, Mr. Forbes short-term incentive factor was (per above) calculated as 1.18. Further, in recognition of the significant accomplishments in 2019 and the ambitious plans for 2020 and beyond, the Board exercised their discretion and granted long-term incentives at 175% of target, granted in March 2020. As detailed in the 2020 Global Balanced Scorecard and Short-term Incentive Results section, we summarize below the CEO's key accomplishments that reinforce the strong link between CEO pay, company performance and shareholder value:

- Increased the global Net Promoter Score 37%, reflecting the improvements made in both the quality and consistency of the client experience

- Achieved \$208 million in run rate profitability improvements from Transformation - overachieving our original target by 39% - and funded the entire program investment from profit improvements
- Increased employee engagement from 75% to 86% over the course of Transformation (and despite the demands and restrictions of the pandemic)
- Delivered 287% in total shareholder return for the period since Jay Forbes was announced as CEO – May 11, 2018 to December 31, 2020

To further ensure strong alignment between incentive compensation and the creation of long-term shareholder value, the board established challenging performance hurdles for the 2019 & 2020 PSUs – requiring Element to achieve relative TSR at P60 in order to pay at target. Element has consistently over-achieved this target.

The following table compares the grant date value of annual compensation awarded to Mr. Forbes from 2018-2020 with the actual value received from compensation awards.

The actual total direct compensation value for the fiscal years noted represents the total of realized pay (the sum of base salary, STIP, the payout value of share units granted during the period) and realizable pay (the sum of the current value of the unvested units granted during the period) as of December 31, 2020.

Year	CEO				Value of \$100		
	Annual Total Compensation Awarded <sup>(1)</sup>	Realized Pay [A] <sup>(2)</sup>	Realizable Pay [B] <sup>(3)</sup>	Actual Total Direct Compensation Value as of Dec 31, 2020 [A + B]	Period	CEO	Shareholder Value
2018	2.3	4.0	0.4 <sup>(4)</sup>	4.4	May 11, 2018 - Dec 31, 2020 <sup>(5)</sup>	\$189.8	\$286.7
2019	5.8	2.8	5.2	8.0	Jan 1, 2019 - Dec 31 - 2020	\$138.6	\$200.9
2020	5.7	2.2	3.8	6.0	Jan 1, 2020 - Dec 31 - 2020	\$105.2	\$122.9

1) Annual Total compensation awarded includes annual salary, STIP award and LTIP grant

2) Realized pay includes salary, STIP award and RSU & PSU payouts

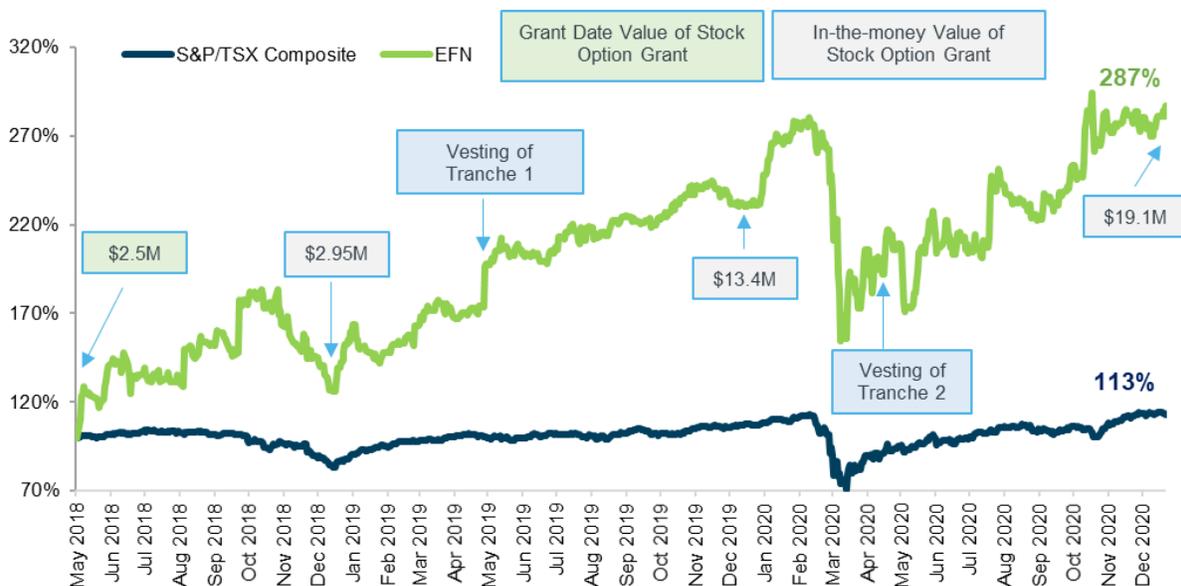
3) Realizable pay includes value of unvested RSUs and PSUs as of Dec 31, 2020

4) Realizable value in 2018 excludes a one-time "on-hire" grant of performance stock options (see next paragraph)

5) May 11, 2018 is the date when Jay Forbes was announced as CEO

In 2018, Jay Forbes was granted \$2.5M in performance stock options upon hire, which vests each year, only if Element TSR is at 65P or higher relative to S&P/TSX Composite Index. The C&CG Committee and the Board believe the performance-based options provide alignment between the interests of Element's shareholders and Mr. Forbes, as significant relative stock price appreciation is required in order for the awards to vest.

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 was announced as CEO – May 11, 2018 to December 31, 2020 (287% vs. 113% respectively). We also show the in-the-money value of the performance stock option grant at the end of each year. This highlights the alignment between the gain in the stock option value (realizable pay) and shareholder value created over the period.



## Equity Ownership Requirements

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 which determine the value of equity ownership include Common Shares of the Corporation, unvested share units (50% of 2019 PSUs at target 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 (grants made after Jan 1 2020) 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	Ownership Requirement \$	# RSU	# PSU	# Common Shares	Total # Held	Meets Requirements	Total Value Held <sup>(1)</sup>
Jay Forbes	\$5,000,000	102,051	198,051	400,000	700,102	Yes	\$9,367,358
Vito Culmone	\$1,875,000	25,323	52,814	125,000	203,137	Yes	\$2,717,966
Jim Halliday <sup>(2)</sup>	\$2,132,985	39,001	87,981	85,001	211,983	Yes	\$2,836,326
Aaron Baxter <sup>(3)</sup>	\$485,757	27,905	31,045	5,135	64,085	Yes	\$857,457
Vineet Gupta	\$500,000	35,814	24,756	30,000	90,570	Yes	\$1,211,827
Jacqui McGillivray	\$425,000	12,072	39,610	8,000	59,682	Yes	\$798,538

(1) Represents total number of Common Shares, RSUs and 50% of 2019 PSUs held by the NEO as at December 31, 2020. The market value of Common Shares & share units is based on the closing price of the Common Shares on the TSX on December 31, 2020 (\$13.38).

(2) Ownership requirement of USD \$1,590,000 converted to CAD using the average 2020 FX rate of 1.3415.

(3) Ownership requirement of AUD \$525,313 converted to CAD using the average 2020 FX rate of 0.9247

## 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.

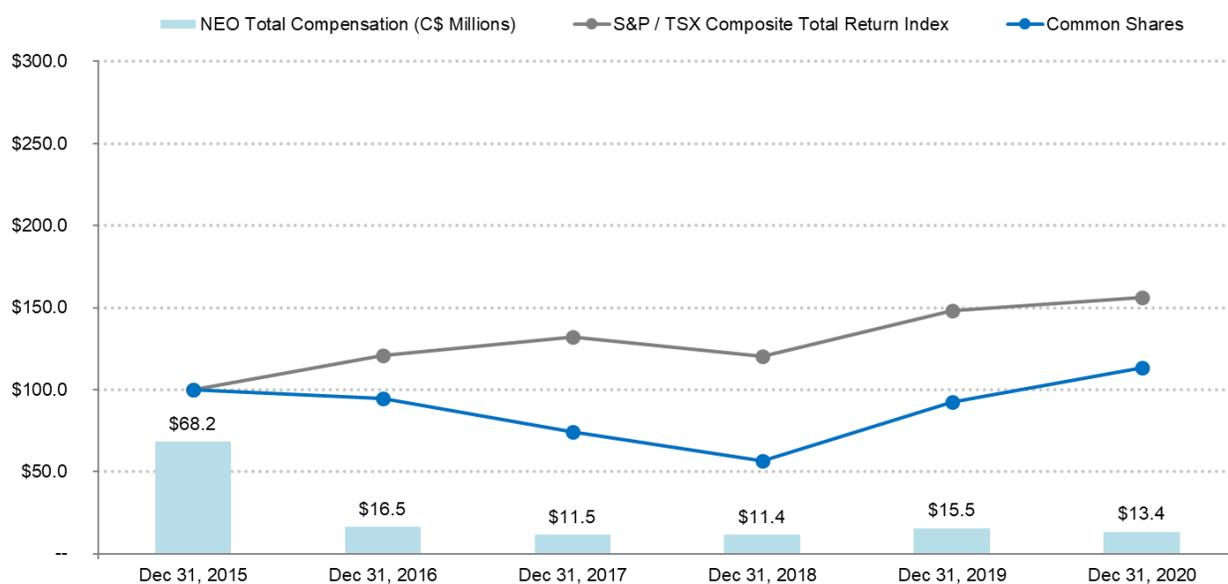
## Anti-Monetization

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, 2015 and ending December 31, 2020.

Over the five most recently completed financial years (from December 31, 2015 to December 31, 2020), total shareholder returns for Element have increased by approximately 13%. During that same period, the total compensation received by Element’s NEOs has substantially decreased. For 2020 specifically, overall compensation levels for Element’s top five NEOs were \$13.4M (down from \$15.5M in 2019 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, 2015, 2016, 2017, 2018, 2019 and 2020 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, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Common Shares	100.0	94.9	74.1	56.4	92.4	113.4
S&P/TSX Composite Total Return Index	100.0	121.1	132.1	120.4	147.9	156.2

- 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.

### Cost of Management Ratio

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

	2020	2019
Total Aggregate NEO Compensation <sup>(1)</sup>	\$13.4	\$15.5M
Adjusted Operating Income	\$501.5	\$521M
As a percentage of Adjusted Operating Income	2.7%	3.0%

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

## Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2020 for Element's last three completed fiscal years.

Name, Principal Position	Fiscal Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	All other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup>		
Jay Forbes, <sup>(5)</sup> <i>Chief Executive Officer</i>	2020	1,000,000	3,500,000	—	1,180,000	—	5,680,000
	2019	1,000,000	3,000,000	—	1,790,000	—	5,790,000
	2018	466,676	933,334	2,500,000	933,333	—	4,833,343
Vito Culmone, <sup>(6)</sup> <i>EVP &amp; Chief Financial Officer</i>	2020	625,000	781,250	—	818,750	—	2,225,000
	2019	625,000	800,000	—	1,081,250	—	2,506,250
	2018	286,458	358,072	1,200,000	431,507	—	2,276,037
Jim Halliday, <sup>(7)</sup> <i>EVP &amp; Chief Operating Officer</i>	2020	710,995	1,066,493	—	789,204	—	2,566,692
	2019	703,257	1,332,700	—	1,364,319	—	3,400,276
	2018	585,309	2,361,169	254,247	1,030,384	—	4,231,108
Aaron Baxter, <sup>(8)</sup> <i>EVP, Custom Fleet</i>	2020	485,757	435,846	—	590,195	—	1,511,798
	2019	484,759	470,250	—	694,417	—	1,649,426
	2018	508,871	281,251	—	377,582	—	1,167,703
Vineet Gupta, <sup>(9)</sup> <i>EVP &amp; Chief Technology Officer</i>	2020	500,000	468,750	—	416,250	—	1,385,000
	2019	479,167	675,000	—	697,603	—	1,851,770
	2018	—	—	—	—	—	—
Jacqui McGillivray, <sup>(10)</sup> <i>EVP &amp; Chief People Officer</i>	2020	425,000	478,125	—	417,563	—	1,320,688
	2019	425,000	600,000	—	608,813	—	1,633,813
	2018	149,840	110,908	300,000	220,068	—	780,816

- (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).
- (3) As determined by the C&CG Committee of the Board. See section entitled "Compensation Discussion and Analysis – Compensation Components".
- (4) During 2020, 2019 and 2018, 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). Mr. Culmone's last day at Element was March 5, 2021. Please see further details in the Termination and Change of Control Benefits for NEOs section.

- (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) Mr. Baxter has been EVP, Custom Fleet since October 2015.
- (9) Mr. Gupta was hired as the Corporation's EVP & Chief Technology Officer effective as of January 16, 2019.
- (10) Ms. McGillivray was hired as the Corporation's EVP & Chief People Officer effective as of August 27, 2018, and her annualized base salary in 2018 was \$425,000, which was prorated in 2018 based on her tenure in the role. Ms. McGillivray's annual incentive target was 75% of salary and was also prorated for her first year in role. Ms. McGillivray received \$55,454 in PSUs and \$55,454 in RSUs as her annual grant in her first year (also prorated). For Ms. McGillivray's 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).

## 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, 2020.

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Jay Forbes	2,500,000	\$5.73	May 15, 2025	\$19,125,000	708,950	\$9,485,751	-
Vito Culmone	1,200,000	\$6.48	June 25, 2025	\$8,280,000	178,003	\$2,381,680	-
Jim Halliday	166,666	\$11.78	Aug 15, 2022	\$266,666	279,195	\$3,735,629	-
	125,000	\$12.65	Feb 27, 2023	\$91,250			
	100,000	\$14.31	Sept 30, 2023	Nil			
	161,620	\$12.62	Dec 19, 2024	\$122,831			
	100,992	\$13.06	March 13, 2025	\$32,317			
	201,304	\$5.73	May 16, 2026	\$1,539,976			
Aaron Baxter	74,247	\$5.73	May 16, 2026	\$567,990	116,244	\$1,555,345	-
	41,667	\$14.31	Sept 30, 2023	Nil			
Vineet Gupta	-	-	-	-	113,558	\$1,519,406	-

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of share-based awards not paid out or distributed <sup>(3)</sup> (\$)
Jacqui McGillivray	300,000	\$8.05	August 28, 2025	\$1,599,000	120,087	\$1,606,764	-

- (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, 2020 (\$13.38).
- (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, 2020, which was \$13.38 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 2020.

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	\$2,058,333	\$2,309,507	\$1,180,000
Vito Culmone	\$1,400,000	\$710,604	\$818,750
Jim Halliday	\$326,111	\$4,068,290	\$789,204
Aaron Baxter	\$61,130	\$169,363	\$590,195
Vineet Gupta	-	\$151,694	\$416,250
Jacqui McGillivray	\$316,000	\$184,980	\$417,563

## 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, 2020)	Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2020)	Number of Securities Remaining Available for Future Issuance Under the Option Plan (excluding securities reflected in (a)) (as at December 31, 2020)
Equity Compensation Plans Approved by Security holders <sup>(1)</sup>	11,022,659	\$10.38	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 2020, the Corporation granted a total of 503,386 PSUs (excluding reinvested dividends) and a total of 1,533,582 PSUs are outstanding as of December 31, 2020 (none cancelled or forfeited).

During 2020, the Corporation granted a total of 761,313 RSUs (excluding reinvested dividends) and a total of 1,510,207 RSUs are outstanding as of December 31, 2020 (with 109,333 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 2020 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 0% 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 October 2020, the C&CG Committee approved a change to the Unit Plan such that Share Units would no longer fully vest on a termination without cause, rather they would vest on a pro-rata basis. This amendment will apply to all future grants of PSUs and RSUs.

Additionally, the C&CG Committee also approved the following treatment for retirement under the plan: in the event the Participant Retires, all RSUs and/or PSUs shall continue to vest in accordance with the regular vesting schedule. Generally, a participant shall be deemed to "Retire" if the following criteria are met:

- a) 55 years of age with at least 5 years of service; with the exception of Mexico employees who will have to be at least 60 years of age
- b) Participant provides at least six months written notice of their intent to retire;
- c) Participant is a "Good Leaver", including compliance with non-compete and non-solicit agreements;

Additionally, if the Board otherwise determines that a Participant shall be deemed to have Retired.

### ***Stock Options***

The Corporation did not seek re-approval of the Option Plan at the 2020 annual shareholder meeting. As a result, while there are previously granted options that remain outstanding, the Corporation did not grant any options in 2020 and 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 2020, the Corporation did not grant any Options and a total of 11,022,659 Options remained outstanding as of December 31, 2020 (representing approximately 2.44% of the issued and outstanding Common Shares on a fully-diluted basis).

Since the inception of the Option Plan, a total of 14,712,610 Common Shares have been issued pursuant to the exercise of Options, representing approximately 3.38% of the outstanding Common Shares on a non-diluted basis.

Stock Option overhang, dilution and burn rates

	2020	2019	2018
Overhang <sup>(1)</sup>	6.16%	6.89%	7.44%
Dilution <sup>(2)</sup>	2.44%	3.62%	5.52%
Burn Rate <sup>(3)</sup>	0.00%	0.00%	1.30%

(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 2020, the Corporation granted 166,992 DSUs to directors. No DSUs were awarded to NEOs in 2020.

## Termination and Change of Control Benefits for NEOs

The Corporation has standard policies in respect of executive terminations. In November 2019, the C&CG Committee approved a change to the Share Unit plan to incorporate a double trigger provision as well as Board discretion upon a Change in Control. In October 2020, the C&CG Committee approved a further change to the Share Unit plan such that Share Units would no longer fully vest on a termination without cause, rather they would vest on a pro-rata basis. This amendment will apply to all future grants of PSUs and RSUs.

Compensation Elements	Retirement	Termination for Cause / Resignation	Termination Without Cause	Termination Without Cause following a Change of Control
Salary	Ends as of the retirement date	Ends as of the termination or resignation date	Ends as of the termination date	Lump sum payment between 12-24 months' base salary
STIP	Pro-rata to date of retirement	Forfeiture	Pro-rata for the year of termination	Lump sum payment between 12-24 months' STIP
RSU / PSU	Continued vesting of all outstanding RSUs & PSUs	Forfeiture	Pro-rata vesting	All RSUs and/or PSUs granted after November 2019 vest on termination

### ***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) 18 months of Cash Compensation if he is terminated after June 1, 2020, but before June 1, 2021; or (ii) 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, 2020 such amount would be equivalent to \$3,759,850. 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, 2020, Mr. Forbes would hold Options and units with an estimated combined in-the-money value of \$26,810,751.

### ***Employment Agreement of Mr. Culmone***

Mr. Culmone ceased employment as the Corporation's EVP & CFO effective March 5, 2021. As per his employment agreement, he was entitled to a termination without cause payment in the

amount of \$2,225,475, being equal to 18 months of Cash Compensation. 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. Mr. Culmone is also entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for the same period. In addition, Mr. Culmone's RSUs and PSUs will vest in the normal course and the vesting of his stock options were accelerated in full to the termination date and will expire on March 5, 2022. As of March 5, 2021, the total in-the-money value of his stock options was \$7,992,000.

#### ***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 he is terminated due to disability or death, then Element must provide Mr. Halliday with a payment equal to two (2) times the base salary on the termination date plus two (2) times the greater of (i) the targeted annual bonus and (ii) the average of the actual bonus paid by Element in the two fiscal years prior to the termination date. As at December 31, 2020, such amount would be equivalent to \$3,575,513 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, 2020, Mr. Halliday would hold Options and units with an estimated combined in-the-money value of \$5,788,669.

#### ***Employment Agreement of Mr. Baxter***

If the employment of Mr. Baxter is terminated without just cause, then Custom Fleet must provide Mr. Baxter with a payment equal to 24 months' base salary. As at December 31, 2020, such amount would be equivalent to \$971,514 for Mr. Baxter. Following termination upon Change of Control, unvested outstanding Options and units held by Mr. Baxter 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, 2020, Mr. Baxter would hold Options and units with an estimated combined in-the-money value of \$2,123,334.

#### ***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) 18 months of Cash Compensation if he is terminated after January 16, 2021, but before January 16, 2022; or (ii) 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, 2020 such amount would be equivalent to \$1,227,603. 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, 2020, Mr. Gupta would hold units with an estimated combined value of \$1,519,406.

### ***Employment Agreement of Ms. McGillivray***

Jacqui McGillivray entered into an employment agreement with the Corporation as of August 27, 2018, pursuant to which she became Chief People Officer of the Corporation. Under the terms of her employment agreement, if Ms. McGillivray 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 Ms. McGillivray with a payment equal to: (i) 18 months of Cash Compensation if she is terminated after August 27, 2020, but before August 27, 2021; or (ii) 24 months of Cash Compensation if she is terminated after August 27, 2021. For the purposes of Ms. McGillivray's employment agreement, "Cash Compensation" means the total of (A) Ms. McGillivray's base salary as of the termination date, (B) the greater of Ms. McGillivray'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 Ms. McGillivray's perquisite package, not to exceed \$30,000. As at December 31, 2020 such amount would be equivalent to \$1,383,220. Ms. McGillivray 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 Ms. McGillivray 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, 2020, Ms. McGillivray would hold units with an estimated combined value of \$2,989,764.

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.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

As of April 2, 2021, 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 2020.

Purpose	Aggregate Indebtedness to the Corporation or its Subsidiaries
Share Purchases	\$315,799
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, 2020, 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, 2020 and as at April 2 2021 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 2020	Amount Outstanding as at April 2, 2021	Security for Indebtedness
Jim Halliday, Executive Vice President and Chief Operating Officer	Lender	\$348,629	\$315,799	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 \$467,889.

### **AVAILABLE INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://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](mailto:dcolman@elementcorp.com) or by mail at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

\* \* \* \* \*

**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, 2021.

A handwritten signature in blue ink, appearing to read "David Colman".

**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 March 3, 2021*)

#### **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. On an annual basis, the Board, with the assistance of the Compensation and Corporate Governance Committee, shall conduct an evaluation of the full Board, each Committee and each director.

## **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**

# VIRTUAL AGM USER GUIDE

## 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 listen to a live audio cast of the meeting, ask 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 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, otherwise you will be required to login as a guest.

## In order to participate online:

### Before the meeting:

1. Check that your browser for whichever device you are using is compatible. Visit on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Edge or Firefox.
2. All securityholders MUST register any 3rd party appointments at 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:

### Password:

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.

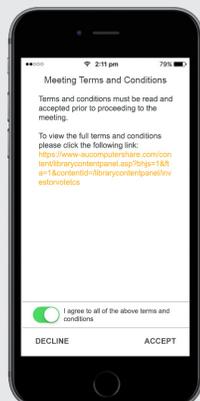
Broadcast **The broadcast bar:** Allows you to view and listen to the proceedings.

**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 to 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.

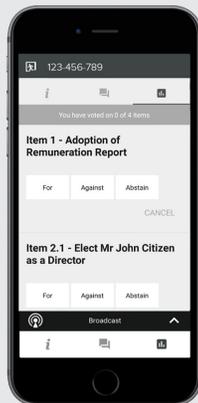
Toggle between the up and down arrow  to view another screen.



## 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.

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

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

## 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.

