



ELEMENT FLEET MANAGEMENT CORP.

NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 15, 2024

AND

MANAGEMENT INFORMATION CIRCULAR

April 1, 2024



## **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 (the "Meeting") of common shareholders of Element Fleet Management Corp. ("Element" or the "Corporation"). The Meeting will be held on Wednesday, May 15, 2024, at 10:00 a.m. (Toronto time).

The Meeting will be conducted in a virtual format via live audio webcast and online. 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 the management team will review Element's performance in 2023 and discuss the Corporation's progress in executing its strategy. The Management Information Circular (the "Circular") describes the business to be conducted at the Meeting and contains detailed instructions about how to participate at the Meeting.

Element had a very productive year in 2023, executing a successful Chief Executive Officer ("CEO") transition and continuing the Corporation's strong financial and operating performance, setting record levels for revenue, profitability and cashflow and demonstrating both the value-creation potential of the organization's growth strategy and management's track record in executing it. The Board will continue to work closely with management to evolve the Corporation's plans and ensure that Element remains well positioned to achieve its strategic objectives.

Notably we continued to increase our quarterly dividend rate per share from \$0.045 in 2020 to the current rate of \$0.12. We returned \$229.8 million to you, our shareholders, through a combination of share repurchases and dividends.

A particular focus for both the Board and management during 2023 was to further develop Element's sustainability strategy which is summarized in the Circular. Element's third annual Sustainability Report is available on the Element website (<https://www.elementfleet.com/investor-relations/esg-report-company-policies>), and the Corporation will be releasing its fourth annual report in the coming months. The Company's sustainability objectives share a place of equal importance within the Company's Balanced Scorecard alongside (and integrated with) its strategic objectives for our Clients, People, Business and Investors.

As announced in November last year, I have decided to retire from my role as Chair of the Board of Element effective at the conclusion of the Meeting and I am not standing for re-election to the Board. I would like to take this opportunity to thank my fellow directors and the Element leadership team for their contributions to the organization and for making my tenure as Chair a rewarding and memorable experience. I am proud of the significant progress the organization has made and have full confidence that Element will sustain its success into the future. My confidence is bolstered by the fact that Katie Taylor will be succeeding me as Chair. Ms. Taylor brings a wealth of C-suite leadership and board experience gained from her time at a number of prominent organizations. She is also a

very experienced Board Chair, and I am confident in her ability to lead the Element Board and work effectively with Laura Dottori-Attanasio, Element's CEO, and the rest of the leadership team. Katie joined the Element Board as a director last November and has held a number of meetings with the directors and management team to ensure a seamless transition.

I am also excited that Luis Téllez has agreed to stand for nomination to Element's Board. Luis has an impressive resume with a career that spans leadership roles in both the private and public sectors in Mexico, including as the former Minister of Communications and Transportation. He also has extensive public company Board experience and will be a strong asset to Element's Board, bringing a unique perspective and deep knowledge of the Mexico market, an important and growing region for Element.

The Circular contains important information. After reviewing it, please vote your shares on all items to be considered. Should you be unable to attend the Meeting on May 15, 2024, 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 Circular.

Thank you for your continued confidence in Element and we look forward to virtually welcoming you on May 15, 2024.

Sincerely,

*"David Denison"*

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

April 1, 2024



**ELEMENT FLEET MANAGEMENT CORP.**

**Notice of Annual Meeting of Shareholders  
May 15, 2024**

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 15, 2024 at 10:00 a.m. (Toronto time) (the "Meeting") via live audio webcast online at [meetnow.global/M4MYPFC](https://meetnow.global/M4MYPFC). 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, 2023, and the auditors' report thereon;
2. to elect the Directors of the Corporation;
3. to re-appoint the Corporation's 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 inclusive, efficient and environmentally friendly nature of a virtual meeting, and the positive experience all of our stakeholders have had with our virtual shareholders' meetings over the last few years, we will once again hold our annual meeting in a virtual format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the 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 13, 2024 at

10:00 a.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 1<sup>st</sup> day of April, 2024.

By Order of the Board of Directors

*“David Colman”*

**David Colman**  
***Executive Vice President, Chief Legal & Sustainability Officer***



**ELEMENT FLEET MANAGEMENT CORP.**

**Management Information Circular for Annual Meeting of Shareholders  
May 15, 2024**

**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 Element’s annual meeting of the holders of common shares of the Corporation (the “Common Shares”) to be held on Wednesday, May 15, 2024 (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 online 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 [meetnow.global/M4MYPFC](https://meetnow.global/M4MYPFC). We recommend that you log in at least fifteen minutes before the Meeting starts.

Registered shareholders and duly appointed proxyholders can participate in the Meeting by clicking “Shareholder” and entering a Control Number or an Invite Code before the start of the Meeting. 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”. For duly appointed proxyholders, Computershare will provide the proxyholder with an Invite Code 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.

Non-registered shareholders who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on “Guest” and complete the online form; however, they will not be able to vote.

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 10:00 a.m. (Toronto time) on May 13, 2024 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with an Invite Code via email. Failure to register the proxyholder will result in the proxyholder not receiving an Invite Code that is required to vote at the Meeting. Without an Invite Code, 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, Chief Legal & Sustainability Officer 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, Chief Legal & Sustainability Officer 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 or the Executive Vice President, Chief Legal & Sustainability Officer of the Corporation no later than Monday, May 13, 2024 at 10:00 a.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 10:00 a.m. (Toronto time) on May 13, 2024. 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, 2023 and the auditors’ report thereon (the “Financial Statements”) may be found on the Corporation’s SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com) and also on the following website at [www.envisionreports.com/ELTQ2024](http://www.envisionreports.com/ELTQ2024). 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, Chief Legal & Sustainability Officer 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 May 1, 2024 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 28, 2024, the Corporation had 389,207,650 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 has fixed March 28, 2024 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 table below sets forth the only persons or company who, to the knowledge of the directors and executive officers of the Corporation, based on publicly available records as at March 28, 2024, beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares.

	<b>Number of Common Shares Held</b>	<b>Percentage of Outstanding Common Shares</b>
T. Rowe Price Associates, Inc.	38,941,405	10.01%

## **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, 2023, and 2023 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 2022 and 2023, please refer to the Corporation's Annual Information Form dated February 27, 2024 and available at [www.sedarplus.com](http://www.sedarplus.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 44.

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 10, 2023, the resolution regarding executive compensation, substantially similar to the language provided below, was approved with 96.82% 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 2024 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", "improve", "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 2023, filed with the securities regulatory authorities in Canada and available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

Readers are cautioned that such risk factors are not exhaustive. The forward-looking statements contained in the Circular are expressly qualified by this cautionary statement. Other than as specifically required by applicable Canadian law, Element undertakes no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, , 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, 2023 by each of the nominees, and these holdings as a multiple of their annual base 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 60



Ms. Addicott serves as a director of Element and is a member of the Credit & Risk and Audit Committees. 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, retiring after over 33 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 \$21B multi-brand global technology solutions provider where she is a member of the Audit Committee and the Nominating and Governance Committee. Ms. Addicott also serves on the boards of Smithers Oasis and Student Transportation of America. Ms. Addicott serves as the Chair of Akron Children's Hospital board. Ms. Addicott earned a Bachelor of Science in Education degree, and an Executive MBA degree from Kent State University, Kent, Ohio.

Board/ Standing Committee Memberships/2023 Attendance:	Board (7/7 100%), Audit (4/4 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	CDW Corporation (since 2016)
2023 Compensation:	\$220,000 (100% in DSUs)
2023 Annual Meeting (votes for):	99.36%

#### 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
2023	5,000	46,072	\$1,101,112 <sup>(1)</sup>	\$1,320,000	83%
2022	5,000	34,179	\$722,853 <sup>(2)</sup>	\$1,320,000	55%

(1) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(2) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Andrew Clarke – Independent Director

Austin, Texas, U.S.A. | Director since 2018 | Age 53



Andrew Clarke serves as a director of Element and is a member of the Audit Committee and the Credit & Risk 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. Mr. Clarke is currently a director of three private companies, Arrive Logistics LLC, GCL, Inc., and PS Logistics, Inc. Mr. Clarke was previously a director of several other public companies, including Big Lots, Inc., 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/2023 Attendance:	Board (7/7 100%), Audit (4/4 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Logistics Innovation Technologies Corp. (since 2021) Big Lots, Inc. (until 2021) Blount International, Inc. (until 2016)
2023 Compensation:	\$220,000 (100% in DSUs)
2023 Annual Meeting (votes for):	99.36%

### 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
2023	15,000	101,477	\$2,511,244 <sup>(1)</sup>	\$1,320,000	190%
2022	15,000	88,443	\$1,908,523 <sup>(2)</sup>	\$1,320,000	145%

(1) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(2) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Laura Dottori-Attanasio – Executive Director

Toronto, Ontario, Canada | Director since 2023 | Age 56



Laura Dottori-Attanasio was appointed President of Element effective February 15, 2023 and became CEO May 10, 2023. Prior to joining Element, Ms. Dottori-Attanasio led the Personal and Business Banking division at one of Canada’s largest financial institutions. Prior to this role, she oversaw the institution’s Risk Management activities as Chief Risk Officer and the Global Corporate Banking and Trading Room Credit in the Capital Markets division. In her community work, Ms. Dottori-Attanasio currently serves as a member of the Board of the C.D. Howe Institute, the Canadian Foundation for Physically Disabled Persons’ “A Seat at the Table,” and co-chairs the Fundraising Committee for the Children’s Aid Foundation of Canada. She holds an honorary Doctor of Laws degree from Ontario Tech University and a bachelor’s degree in finance and economics from the University of Western Ontario. Ms Dottori-Attanasio was recognized by the Association of Fundraising Professionals with the Outstanding Volunteer Award. She received the King Clancy Award from the Canadian Foundation of Physically Disabled Persons and earned a place in the WXN Top 100 ‘Most Powerful Women in Canada’ Hall of Fame.

Board/ Standing Committee Memberships/2023 Attendance:

Board (4/4 100%)

Public Board Memberships in last five (5) years:<sup>1</sup>

Teck Resources Inc. (until 2020)

2023 Compensation:

Board compensation is not paid to executive officers. See “Summary Compensation Table” for Ms. Dottori-Attanasio’s compensation as CEO of Element.

2023 Annual Meeting (votes for):

N/A

### 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
2023	203,900	—	\$4,396,084 <sup>(2)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>
2022	N/A	N/A	N/A	N/A	N/A

(1) As announced by AGF Management Limited (“AGF”) on March 7, 2024, Ms. Dottori-Attanasio has been appointed to the Board of Directors of AGF effective as of April 3, 2024.

(2) In addition to the securities listed in this table, Ms. Dottori-Attanasio holds share-based awards. Please see “Incentive Plan Awards - Outstanding share-based awards” for further details about Ms. Dottori-Attanasio’s share-based awards.

(3) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(4) Ms. Dottori-Attanasio is subject to the equity ownership requirements as 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 62



Mr. Graham serves as a director of Element and is Chair of the Audit Committee. He was appointed as director in May 2018. 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 has served as a director of Badger Infrastructure Solutions, a TSX listed company, since 2022. 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/2023 Attendance:	Board (7/7 100%), Audit (4/4 100%)
Public Board Memberships in last five (5) years:	Badger Infrastructure Solutions Ltd. (Since 2022) and B.E.S.T Total Return Fund, Inc. (until 2019)
2023 Compensation:	\$245,000 (50% in DSUs)
2023 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
2023	75,000	70,186	\$3,130,210 <sup>(1)</sup>	\$1,320,000	237%
2022	100,000	62,645	\$3,000,800 <sup>(2)</sup>	\$1,320,000	227%

(1) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(2) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Joan Lamm-Tennant – Independent Director

Fairfield, Connecticut, U.S.A. | Director since 2014 | Age 71



Ms. Lamm-Tennant has served as a director of Element since May 2014 and currently Chairs the Compensation & Corporate Governance Committee. Since 2021 Ms. Lamm-Tennant has been the independent Chair of the Boards of Directors of Equitable Holdings, Inc. and AllianceBernstein Holdings L.P and has been an independent director of Ambac Financial Group, Inc. since 2018. Ms. Lamm-Tennant was the Founder of Blue Marble Microinsurance, and from January 2016 to June 2020 served as its Chief Executive Officer. Previously, Ms. Lamm-Tennant was the Global Chief Economist and Risk Strategist of Guy Carpenter & Company, LLC, the reinsurance and risk advisory operating company of Marsh & McLennan Companies. She was an Adjunct Professor at the Wharton School, University of Pennsylvania from September 2005 to May 2016 and held the Laurence and Susan Hirsch Chair in International Business. Ms. Lamm-Tennant is the Executive Expert on Resilience and Sustainability for the International Insurance Society and author / commentator on environment, social and governance (ESG) matters. She holds a Ph.D. in Finance and Investments from the University of Texas, Austin; an M.B.A. in Finance from St. Mary's University, San Antonio, Texas and a B.B.A. with Honors in Accounting from St. Mary's University, San Antonio, Texas.

Board/ Standing Committee Memberships/2023 Attendance:	Board (7/7 100%), C&CG (6/6 100%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2018), Equitable Holdings, Inc. (since 2020), AllianceBernstein Holdings L.P (since 2021)
2023 Compensation:	\$ 245,000 (100% in DSUs)
2023 Annual Meeting (votes for):	93.30%

### 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
2023	30,277	228,829	\$5,586,325 <sup>(1)</sup>	\$1,320,000	423%
2022	30,277	211,924	\$4,468,608 <sup>(2)</sup>	\$1,320,000	339%

(1) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(2) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Rubin J. McDougal – Independent Director

Alpine, Utah, U.S.A. | Director since 2018 | Age 67



Mr. McDougal was appointed as a director to the Element Board in May 2018 and Chairs the Credit & Risk Committee. Mr. McDougal 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 currently serves as Chair of Boart Longyear and has been a director since 2020.<sup>(1)</sup> He is also a board member of Speedcast a privately held company, since 2021. Mr. McDougal was a director of Novitex Enterprise Solutions, Inc., a managed services provider in the document outsourcing industry, from 2014 to 2017. Mr. McDougal was the CFO of Great Wolf Resorts from 2018 to 2021 and the CFO of CEVA Logistics, a global supply chain services provider based in Amsterdam, from 2009 to 2016. Mr. McDougal holds a Master of Business Administration degree from Western Michigan University.

Board/ Standing Committee Memberships/2023 Attendance:	Board (7/7 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	Boart Longyear (since 2020)
2023 Compensation:	\$245,000 (100% in DSUs)
2023 Annual Meeting (votes for):	99.36%

### 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
2023	23,000	107,946	\$2,823,196 <sup>(2)</sup>	\$1,320,000	214%
2022	23,000	93,533	\$2,150,034 <sup>(3)</sup>	\$1,320,000	163%

- (1) Boart Longyear has publicly announced its sale to American Industrial Partners, subject to court and regulatory approvals. Upon closing of the transaction, it is expected that Mr. McDougal will step down as Chair and member of the Board of Directors.
- (2) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).
- (3) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Arielle Meloul-Wechsler – Independent Director

Montreal, Quebec, Canada | Director since 2021 | Age 56



Ms. Meloul-Wechsler serves as a director of Element and is a member of the Audit Committee and the Compensation & Corporate Governance Committee. She was elected as a director in May 2021. 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. 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/2023 Attendance:	Board (7/7 100%), Audit (4/4 100%), C&CG (5/6 83%)
Public Board Memberships in last five (5) years:	Nil <sup>1</sup>
2023 Compensation:	\$220,000 (100% in DSUs)
2023 Annual Meeting (votes for):	98.52%

### Securities held at fiscal year end

Fiscal Year	Common Shares (#)	DSUs (#)	Total Value of Securities	Equity Ownership Requirement (within six years of becoming a director)	Value of Securities as Compared to Equity Ownership Requirement
2023	5,000	36,137	\$886,914 <sup>(1)</sup>	\$1,320,000	67%
2022	5,000	24,450	\$543,353 <sup>(2)</sup>	\$1,320,000	41%

- (1) Ms. Meloul-Wechsler has been nominated to stand for election to the Board of Directors of National Bank of Canada at its annual meeting of shareholders to be held on April 19, 2024.
- (2) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).
- (3) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Andrea Rosen – Independent Director

Toronto, Ontario, Canada | Director since 2019 | Age 69



Ms. Rosen was elected as director in May 2019 and is a member of the Credit & Risk and the Compensation & Corporate Governance Committee. She 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. 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/2023 Attendance:	Board (7/7 100%), 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) <sup>(1)</sup> and Emera Inc. (since 2007) <sup>(1)</sup>
2023 Compensation:	\$220,000 (100% in DSUs)
2023 Annual Meeting (votes for):	98.64%

### 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
2023	10,000	77,478	\$1,886,026 <sup>(1)</sup>	\$1,320,000	143%
2022	10,000	64,938	\$1,382,606 <sup>(2)</sup>	\$1,320,000	105%

(1) It is expected that Ms. Rosen will cease to be a director of Manulife Financial Corporation and Emera Inc. in 2024.

(2) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

(3) Value is based on the closing price of the Common Shares on the TSX on December 30, 2022 (\$18.45).

## Kathleen Taylor – Independent Director

Toronto, Ontario, Canada | Director since 2023 | Age 66



Ms. Taylor was appointed as director on November 21, 2023 and is expected to take over the role of Chair of the Board effective at the conclusion of the Meeting. Ms. Taylor currently serves as Chair of Altas Partners, a Toronto-based private equity firm. She is also Vice Chair of the Adecco Group AG, a director of Air Canada and Mattamy Asset Management, and the Chair of the Advisory Board of the Cabot Collection. In her community work, Ms. Taylor is Chancellor of York University, Chair of the Board of Trustees for the Hospital for Sick Children and the immediate past Chair and member of the Board of the SickKids Foundation. Ms. Taylor is the former Chair of the Board of the Royal Bank of Canada, a former director of CPP Investments and the former President and Chief Executive Officer of Four Seasons Hotels and Resorts. Ms. Taylor is a member of the C.D. Howe Institute's National Council, Co-Chair of their Human Capital Policy Council and a member of the Task Force on the Digital Economy. She also serves on the Dean's Advisory Council of the Schulich School of Business. Ms. Taylor holds an MBA from the Schulich School of Business, a law degree from Osgoode Hall Law School, and a Bachelor of Arts (honours) from the University of Toronto. She has also received an honorary Doctor of Laws from the University of Toronto, McGill University, York University, and Trent University, an honorary Doctor of Humane Letters from Mount Saint Vincent University, and an honorary Doctor of Divinity from Huron University. Ms. Taylor was appointed a Member of the Order of Canada in 2016.

Board/ Standing Committee Memberships/2023 Attendance:	Board (1/1 100%)
Public Board Memberships in last five (5) years:	Air Canada (since 2016); Adecco Group AG (since 2015); Royal Bank of Canada (until 2023);
2023 Compensation:	\$24,176 (100% in DSUs) <sup>(1)</sup>
2023 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
2023	20,000	—	\$431,200 <sup>(1)</sup>	\$1,320,000	33%
2022	N/A	N/A	N/A	N/A	N/A

(1) Ms. Taylor was appointed to the Board on November 21, 2023 and her 2023 compensation reflects the pro-rata portion of the director retainer in 2023. Ms. Taylor's DSUs in respect of this compensation were granted in March 2024.

(2) Value is based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).

## Luis Manuel Téllez Kuenzler – Independent Director

Mexico City, Mexico | New nominee | Age 65



Mr. Téllez is a nominee for director of Element. He is an economist with a career that spans leadership roles in both private and public sectors in Mexico. Mr. Téllez currently runs his own consulting firm, LTK y Asociados, where he advises a number of large companies across various industries. He also currently serves on the Board of Directors of Grupo Aeroportuario del Pacífico and Organizacion Cultiba and was previously a director on a number of other public companies. Previously, Mr. Téllez was a Senior Advisor and Head of Mexico for Kohlberg Kravis Roberts (KKR) from 2015 to 2023 and Chairman and CEO of the Mexico Stock Exchange from 2009 to 2014. Mr. Téllez is also the former Minister of Communications and Transportation from 2006 to 2009 along with various other prior roles in the Mexican government. Mr. Téllez received a Ph.D. in Economics from the Massachusetts Institute of Technology and a Bachelor's Degree in Economics from Instituto Tecnológico Autónomo.

Board/ Standing Committee Memberships/2023 Attendance:	N/A
Public Board Memberships in last five (5) years:	Grupo Aeroportuario del Pacífico (since 2017); Organizacion Cultiba (since 2010); Chubb Ltd. (until 2023)
2023 Compensation:	N/A
2023 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
2023	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A

## **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 an independent director of Boart Longyear in 2021 when it went through a Scheme of Arrangement in which debt was converted to equity.

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 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**

The Board has established director term limits in order to balance the value of experience with the benefits of new perspectives and ongoing board renewal. A director's term limit is the earlier of 12 years of service and 75 years of age. In addition, each Committee chair has a term limit of 5 years, subject to the Board's discretion to extend a Committee chair's term if the Board deems that to be prudent and in the best interest of the Board and the applicable Committee. Term limits do not take precedence over our annual Board evaluation process. Nominations for re-election as director will be based on the skills and effectiveness of each director and the needs of the Board considering the Corporation's strategic objectives.

## **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, there are no interlocking board memberships.

## **2023 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 2023.

## **Director Skills Assessment**

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

The matrix below illustrates the mix of experience, knowledge and understanding possessed by the proposed director nominees in the categories that are relevant to the Corporation that enable the Board to better carry out its fiduciary responsibilities. While each of the proposed director nominees have skills and experience in a number of the following areas, the matrix below identifies the six categories that are most applicable to each nominee. The Board has a broad range of skills across all of these dimensions, evidenced by at least two directors including each skill in their top six selections. Additional information about the background and experience of each of the proposed director nominees can be found in their bio above as well as in the Statement of Corporate Governance Practices below under the applicable committee description.

	Virginia Addicott	Andrew Clarke	Laura Dottori-Attanasio	Keith Graham	Joan Lamm-Tennant	Arielle Meloul-Wechsler	Rubin McDougal	Andrea Rosen	Kathleen Taylor	Luis Tellez
Accounting / Finance		X	X	X			X	X		X
Business-to-Business		X					X			X
Business Transformation	X			X		X	X	X		
Capital Markets Financing		X	X	X			X	X		X
Credit Risk Management			X				X	X		
Enterprise Risk Management		X	X		X	X			X	
Human Resources & Compensation				X	X	X		X	X	
Information Technology	X					X				
International Business	X				X		X	X	X	X
Mid/Large Company Senior Executive	X	X	X	X	X	X			X	X
Operations Management	X		X						X	
Strategic Planning	X	X		X	X				X	
Climate and Sustainability					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 current annual retainer as set forth under “Directors’ Compensation”, the equity ownership requirement is equal to \$1,320,000 for directors and \$2,310,000 for the Board Chair. 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 (as defined below) to non-employee directors under the Option Plan was discontinued. There are no outstanding Options held by non-executive director.

## Directors' Compensation

In 2022, the C&CG Committee engaged Hugessen Consulting Inc. ("Hugessen") to conduct a market review of director compensation. Based on recommendations from Hugessen, and to better reflect the go-forward market for director talent, the director compensation philosophy was revised to focus on data from the Canadian peer group, and TSX100 more broadly for reference, and to base compensation in Canadian dollars. As a result, and to ensure Element continues to retain a high performing Board, the C&CG Committee and the Board approved a revised director compensation program effective January 1, 2023 as follows: Board retainer of \$220,000, Board Chair retainer of \$385,000 and Committee Chair retainer of \$25,000.

Fee Description <sup>(1)(2)</sup>	2021 Amounts <sup>(3)</sup> (\$)	2022 Amounts <sup>(4)</sup> (\$)	2023 Amounts (\$)
Annual Board Chair Retainer	348,320	363,440	385,000
Annual Board Retainer	164,208	171,366	220,000
Committee Member Retainer	18,660	19,470	nil
Committee Chair Retainer	43,540	45,430	25,000
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) Amounts are stated in Canadian dollars based on the conversion rate of 1.244, being the average exchange rate for director payments in 2021.
- (4) Amounts are stated in Canadian dollars based on the conversion rate of 1.298, being the average exchange rate for director payments in 2022.

The following table sets forth all amounts of compensation earned by non-executive directors of the Corporation for fiscal year 2023.

Name <sup>(1)</sup>	Cash fees earned (\$)	Share-based awards <sup>(2)</sup> (\$)	Total (\$)
Virginia Addicott	—	220,000	220,000
Andrew Clarke	—	220,000	220,000
David Denison	—	385,000	385,000
Keith Graham	122,500	122,500	245,000
Joan Lamm-Tennant	—	245,000	245,000
Rubin McDougal	—	245,000	245,000

Name <sup>(1)</sup>	Cash fees earned (\$)	Share-based awards <sup>(2)</sup> (\$)	Total (\$)
Arielle Meloul-Wechsler		220,000	220,000
Andrea Rosen	—	220,000	220,000
Kathleen Taylor <sup>(3)</sup>	—	—	—

- (1) Compensation paid to Chief Executive Officer Laura Dottori-Attanasio 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 DSU Plan.
- (3) Kathleen Taylor was appointed on November 21, 2023. Her pro-rata compensation for 2023 was paid in March 2024 in the form of DSUs together with her Q1 2024 DSU grant.

### Outstanding Share-Based Awards

The following table sets out all share-based (DSU) awards outstanding as of December 31, 2023 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	993,312
Andrew Clarke	2,187,844
David Denison	3,451,497
Keith Graham	1,513,210
Joan Lamm-Tennant	4,933,553
Rubin McDougal	2,327,316
Arielle Meloul-Wechsler	779,114
Andrea Rosen	1,670,426
Kathleen Taylor	Nil <sup>(2)</sup>

- (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 29, 2023 (\$21.56).
- (2) Kathleen Taylor was appointed on November 21, 2023. Her pro-rata compensation for 2023 was paid in March 2024 in the form of DSUs together with her Q1 2024 DSU grant.

## 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, 2023. There are no Options held by non-executive directors.

Name	Share-based awards – Value vested during the year (\$) <sup>(1)(2)</sup>
Virginia Addicott	239,079
Andrew Clarke	239,079
David Denison	418,415
Keith Graham	133,133
Joan Lamm-Tennant	266,266
Rubin McDougal	266,266
Arielle Meloul-Wechsler	239,079
Andrea Rosen	239,079
Kathleen Taylor	Nil <sup>(3)</sup>

- (1) Share awards are the DSUs awarded in 2023. DSUs are paid out in cash only after the director retires from the Board.
- (2) Values are based on the closing price of the Common Shares on the TSX on December 29, 2023 (\$21.56).
- (3) Kathleen Taylor was appointed on November 21, 2023. Her pro-rata compensation for 2023 was paid in March 2024 in the form of DSUs together with her Q1 2024 DSU grant.

## **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, Laura Dottori-Attanasio, David Denison, Keith Graham, Joan Lamm-Tennant, Rubin McDougal, Arielle Meloul Wechsler, Andrea Rosen and Kathleen Taylor. Independent director and Board Chair David Denison was appointed to the Board on December 14, 2018 and assumed the role of Board Chair on January 1, 2019. As previously announced, Mr. Denison is retiring from Element's Board as is not standing for re-election at the Meeting. If elected by shareholders, it is expected that Kathleen Taylor will take over the role as Chair of the Board effective at the conclusion of the Meeting. 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 four directors of the Corporation, Keith Graham (Chair), Virginia Addicott, Andrew Clarke, and Arielle Meloul-Wechsler, each of whom is considered to be independent and financially literate for purposes of NI 52-110. In addition, Mr. Graham and Mr. Clarke have financial expertise as set forth in the director skills assessment matrix above and Mr. Clarke is the former Chief Financial Officer of a publicly traded corporation. The members of the Audit Committee are appointed annually by the Board, and each member of the Audit Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Following the conclusion of the Meeting, it is expected that Luis Tellez, who is considered to be independent and financially literate for purposes of NI 52-110, will become a member of 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 February 27, 2024, a copy of which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.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, Arielle Meloul-Wechsler and Andrea Rosen, each of whom is considered to be independent as defined in NI 58-101. The C&CG Committee conducts its business on the basis of majority approval, which encourages an objective process for determining compensation.

The members of the C&CG Committee are appointed annually by the Board, and each member of the C&CG Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Ms. Lamm-Tennant, Mr. Denison, Ms. Meloul-Wechsler 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. Following the conclusion of the Meeting, it is expected that Kathleen Taylor, who is considered to be independent for purposes of NI 52-110, will become a member of the C&CG Committee. Ms. Taylor has extensive experience as a public company director, including with respect to corporate governance and 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 members of the Board, 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; (e) monitoring for any real or perceived

conflicts of interest of both the Board and management; and (f) overseeing climate, sustainability and health and safety issues.

### ***C&R Committee***

The C&R Committee is currently comprised of four directors, Rubin McDougal (Chair), Virginia Addicott, Andrew Clarke, and Andrea Rosen, each of whom is considered to be independent under NI 58-101. The members of the C&R Committee are appointed annually by the Board, and each member of the Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Following the conclusion of the Meeting, it is expected that Luis Tellez, who is considered to be independent for purposes of NI 52-110, will become a member of the C&R Committee.

The primary mandate of the C&R Committee is to assist the Board in fulfilling its oversight responsibilities with regard to: (a) the performance and quality of the Corporation's credit portfolio; (b) major risks inherent in the Corporation's business activities; (c) the cyber risk landscape and the Corporation's cyber security program; and (d) 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, nine of whom are "independent directors" within the meaning of NI 58-101. The nine independent directors are currently Virginia Addicott, Andrew Clarke, David Denison, Keith Graham, Joan Lamm-Tennant, Rubin McDougal, Arielle Meloul-Wechsler, Andrea Rosen and Kathleen Taylor. Ms. Dottori-Attanasio is not independent for the purposes of NI 58-101 because she is a member of management of Element. If the proposed nominees are elected to the Board (see "Matters to be Acted Upon – 2. Election of Directors"), the Board will be comprised of ten members, consisting of nine independent directors as well as Ms. Dottori-Attanasio, 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 session 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 their duties for an extended period.

The C&CG Committee and the Board's commitment to executive succession planning was demonstrated by the thorough process that was undertaken and ultimately resulted in the appointment of Laura Dottori-Attanasio as President and CEO in 2023. The C&CG Committee engaged with management and external advisors, identified a number of external and internal candidates, and conducted an extensive review process to determine the candidate best suited for the President and CEO role. The Board believes that this was a highly effective process that produced a successful outcome.

### **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 and the CEO. 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 2023, this included, among other matters, the successful execution of

Element's growth strategy, the ongoing development of Element's sustainability strategy, and the continued oversight of Element's enterprise risk management program. 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. The Board also worked closely with management in assessing strategic opportunities and reviewing and approving management's plans with respect to key strategic initiatives, including centralizing accountability for U.S. and Canadian leasing at a new Element office in Dublin, Ireland and establishing a strategic sourcing and relationship management presence in Asia with an office in Singapore.

In addition, the Board undertakes a comprehensive review and approval process of Element's Global Balanced Scorecard, which distils the Corporation's strategy into 14 strategic objectives with corresponding performance measures and target ranges. Element's progress is reviewed at each Board meeting, with a mid-year review to ensure the measures and targets are driving the right behaviours and outcomes. The Board also reviews and approves the annual objectives of the CEO and reviews progress against those objectives on a quarterly basis. The Board Chair also regularly meets with the CEO to discuss the Company's progress against its strategic objectives and to ensure 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 credit risk, treasury risk, and cybersecurity and technological risks. These quarterly updates include an assessment of the likelihood and impact of the risks and management's risk mitigation strategies. The C&R Committee previously assisted management with the creation of an Enterprise Risk Index (which is a metric on Element's Global Balanced Scorecard) and helps the Corporation monitor its risk profile, track its mitigation efforts and inform course-correction as required. The C&R Committee reviews the Corporation's performance with respect to the Enterprise Risk Index on a quarterly basis. The C&R Committee regularly engages in discussion with management and then reports to the full Board with any material information.

## **Sustainability**

A key area of focus for the Board and management is the Corporation's Sustainability. The Board works with management to assess Element's sustainability performance, with the C&CG Committee overseeing Element's sustainability strategy and related policies and aligning with management on priorities. Element's priorities include (a) continuing to enhance our sustainability disclosures, (b) setting science-based targets, (c) reducing the Corporation's carbon emissions and working with our clients to reduce the carbon emissions of their fleets (with a goal of transitioning 350,000 client vehicles to EVs by 2030), (d) improving the safety of Element's clients' drivers, (e) promoting diversity of our suppliers and employees, and (f) maintaining strong corporate governance. The C&CG Committee also oversees Element's climate related targets and monitoring progress against these targets, as well as management's assessment of climate-related risks and opportunities, with management presenting to the C&CG Committee or the full Board on sustainability and climate-related issues on a quarterly or semi-annual basis. The Board also considers climate-related issues as part of its continuous oversight and assessment of Element's strategy, performance and risk management.

In 2023 Element published its third annual sustainability report, which is available on Element's website (<https://www.elementfleet.com/investor-relations/esg-report-company-policies>) and describes Element's sustainability strategy and objectives. As further described in the Report,

Element is aligned to the Sustainability Accounting Standards Board (SASB) reporting framework for our industry: Transportation Sector, Car Rental and Leasing Standard TR-CR. The Report also includes Element's 2022 sustainability Scorecard results and 2023 sustainability Scorecard design, describing the key measures that the Corporation uses to evaluate its performance against its targets. The results for the 2023 Scorecard will be published in our 2024 Sustainability Report. The C&CG Committee works with management on an annual basis to set the scorecard, including key climate-related metrics. The C&CG Committee is also responsible for oversight and monitoring of progress against the targets set out in the scorecard.

## **Diversity, Equity, Inclusion and Belonging**

### ***Board of Directors***

The Board recognizes the benefits that diversity, equity, inclusion and belonging bring to the successful growth and profitability of the Corporation. In addition to supporting Management's strong efforts to create a more diverse, equitable and inclusive culture and employee base, 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, equity and inclusion is reflected in a written Diversity Policy adopted by the Board.

Per the Corporation's written Diversity Policy, the Corporation has achieved a Board composition in which men and women comprise a minimum of 40% 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, six of ten directors (60%) on the Board will be women, five of which are independent directors. Element will also have its first female Board Chair with Kathleen Taylor expected to take on the role of Chair following the Meeting.

The Board is committed to ensuring that it achieves a broad range of diversity, including but not limited to gender, ethnicity, race, background, age, sexual orientation and ability, consistent with the diversity criteria that Management considers and is summarized below. Based on these criteria, in addition to gender diversity, the Board nominees comprise 2 directors who are diverse, including 1 director from Mexico and 1 director of North African descent. In addition, the C&CG Committee has made the identification of diverse candidates a key search criterion in the director selection and nomination process and has mandated that search firms include candidates that are racially and/or ethnically diverse in the pool of candidates brought forward for consideration.

### ***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, equity, inclusion and belonging objectives, the C&CG Committee, CEO 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.

With more than 2,700 employees globally as of December 31, 2023, we are proud that those who identify as women comprise 51% of our global workforce, 40% of management, 35% of our senior leadership team, and 29% of Corporation executives, including the CEO. Employees who self-identified as racially or ethnically diverse make up 24% of our workforce in Canada and the U.S., 24% of management, 17% of our senior leadership team, and 29% of Corporation executives.

In 2024 we will build on our strong foundation of promoting diversity, equity, and inclusion and elevate our strategy by strengthening our focus on belonging. We hold ourselves accountable to our strategy dedicated to driving diversity, equity, inclusion and belonging through goal setting and regular monitoring of applicable metrics within our Global Balanced Scorecard.

### **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. The Chair has previously met directly with Shareholders and Shareholders are encouraged to pursue engagement with the Board directly by contacting the Chair at [ddenison@elementcorp.com](mailto:ddenison@elementcorp.com) (or the incoming Chair at [ktaylor@elementcorp.com](mailto:ktaylor@elementcorp.com)), or by reaching out to Rocco Colella, Element's Director of Investor Relations, at [rcollella@elementcorp.com](mailto:rcollella@elementcorp.com).

Element has also previously held an Investor Day, inviting Shareholders and other stakeholders to attend either in person in Toronto or virtually to meet key Element executives and employees, learn more about Element's business and have an opportunity to ask questions. This proved to be an effective way for Element to engage directly with Shareholders.

In addition to direct engagement, the Board engages with Shareholders in various other ways. For example, the Board previously invited sustainability experts from two of its largest Shareholders to speak to the Board and management about the sustainability landscape, helping inform Element's sustainability strategy. The Board has 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. In addition, Element is a corporate member of the Institute of Corporate Directors (ICD), providing all Element directors with access to ICD's extensive library of educational resources. Element directors have routinely attended ICD webinars and also regularly participate in education and training sessions independent of Element, through other boards, executive positions, or otherwise, including through the National Association of Corporate Directors in the U.S. In 2023, Element directors attended such sessions on cybersecurity, enterprise risk management, accounting matters and director responsibilities.

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. The Corporation has held a number of education sessions for the Board, including a stand-alone session with all directors in which management presented an in-depth review of the fleet management industry in the U.S., Canada, Mexico, Australia and New Zealand and Element's competitive position therein. Members of management from each jurisdiction described the competitive landscape in each region as well as emerging themes in the industry and Element's competitive strategy. Management also reviewed recent M&A activity in the industry and described its expected impacts.

In August 2023, an executive from one of Element's largest clients travelled to Toronto to meet with the Board, and all directors had an opportunity to learn more about the client's business and operations, the market in which they operate, the nature of the relationship with Element and the ways in which Element drives value to the client.

In addition, in September 2022 all directors attended a session with Alain Van Groenendael, Chairman and CEO of Arval, a leading fleet management company based in Europe. During the session, directors had an opportunity to learn more about global fleet markets as well as the strategic alliance between Element and Arval, including how the alliance enables each company to better serve its shared clients.

The Corporation also routinely has the Board conduct site visits at various Element locations. In 2023, in addition to holding Board meetings in Element's Toronto office, directors attended Element's office in Mexico City where they engaged directly with Element's employees in Mexico and had the opportunity to meet and interact with a wide range of Element's clients. During their time in Mexico City, the Board attended a session with an economist from a leading investment bank where he presented on the Mexican economy and outlook and discussed opportunities for Element. Element's Mexico Country Head also met with the Board and presented on Element's Mexico business and the fleet industry in Mexico. The Board also conducted a site visit with one of Element's Mexican clients where directors toured the client's facilities, learned about their operations and industry and discussed their fleet and relationship with Element.

In 2023, the Board also held sessions on electric vehicles, during which Element's experts on electric vehicles advised all directors on the latest developments in the market and gave all directors an update on how those topics were being addressed at Element to drive growth and promote sustainability. All directors also received updates and information materials on the global sustainability landscape, including an update on sustainability disclosure requirements and an inventory of Element's GHG emissions. In addition, throughout 2023 the Board received a detailed review of select Element services, an in-depth analysis of Element's information technology systems and regular updates on key IT initiatives, a review of the U.S. and Canadian capital markets and Element's capital allocation strategy, a review of Element's business preparedness program and an overview of the syndication market and its importance to advancing the Company's capital-lighter business model. All directors also received quarterly presentations on

cyber security, including a review of global cyber threats and actions Element is taking to protect itself, and received regular updates on global supply chain challenges and future outlooks for vehicle production volume. Directors also received multiple updates on key strategic initiatives for the Corporation, including management’s plans with respect to centralizing accountability for U.S. and Canadian leasing at a new Element office in Dublin, Ireland, where directors learned about the leasing industry in Ireland, and establishing a strategic sourcing and relationship management presence in Asia with a small new office in Singapore, where directors learned about the vehicle manufacturing landscape in Asia. A listing of select presentations received by the Board and Committees is set out below:

<b>Quarter</b>	<b>Topic</b>	<b>Attendance</b>
Q1	Sustainability review, including findings of a materiality assessment	Board
	Review of CEI, Element’s safety and collision management business	Board
	Commercial strategy review	Board
	ERP implementation	Audit Committee
	SOC 1 review	Audit Committee
	Whistleblower and Code of Conduct reporting procedures	Audit Committee
	Enterprise Risk Review, including cyber, credit and treasury risk	C&R Committee
Q2	Sustainability review and update on GHG emissions tracking	Board
	Electric vehicle landscape and strategy	Board
	Strategic initiative review	Board
	ERP implementation	Audit Committee
	SOC 1 review	Audit Committee
	Enterprise Risk Review, including cyber, credit and treasury risk	C&R Committee
	Board composition, effectiveness and diversity	C&CG Committee
Q3	Element client review	Board
	Review of Element’s initiative to centralize leasing accountability	Board
	Establishing a strategic procurement hub in the Asia Pacific region	Board
	Review of Element strategic consulting services	Board
	Three-Year Plan	Board
	ERP implementation	Audit Committee
	SOC 1 review	Audit Committee
	Enterprise Risk Review, including cyber, credit and treasury risk	C&R Committee
	Business preparedness program	C&R Committee
	Diversity, Equity, Inclusion & Belonging	C&CG Committee
	Talent review and succession planning	C&CG Committee
Q4	Review of Element’s initiative to centralize leasing accountability	Board
	Establishing a strategic procurement hub in the Asia Pacific region	Board
	ERP implementation	Audit Committee
	SOC 1 review	Audit Committee
	USD currency reporting transition	Audit Committee
	Enterprise Risk Review, including cyber, credit and treasury risk	C&R Committee
	Compliance program	C&R Committee

## 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, employees, suppliers and other stakeholders 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. 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 Audit Committee. Any such investigations and resolutions of complaints will be reviewed by the Audit Committee who will report annually to the Board thereon. Certain of the matters covered by the Code are also subject to C&CG 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 Whistleblower Policy pursuant to which employees and other stakeholders can anonymously raise concerns related to financial reporting, internal controls and related matters. Similar to the Code, the Audit Committee has oversight over the Whistleblower Policy and the investigation and remediation of any concerns. The Whistleblower Policy is available on Element’s website at [www.elementfleet.com](http://www.elementfleet.com).

In addition, 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. The Insider Trading Policy is available on Element’s website at [www.elementfleet.com](http://www.elementfleet.com).

## **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**

The C&GC Committee is responsible for overseeing the Corporation's procedures with respect to 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. Element considers a related party to be a director, a corporation of which the director is an officer or a director, or a corporation in which the director has a material interest, including through an ownership interest. 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. In the event a special committee of the Board is formed, including in circumstances where it is evaluating a related party transaction, such committee may retain outside advisors at the Corporation's expense in appropriate circumstances. There were no transactions in 2023 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 2023 performance and CEO compensation decisions. Element continues to align compensation programs and outcomes to business results, reinforcing pay-for-performance, and the creation of long-term sustainable shareholder value.

Our 2023 financial and operating results underscore Element's client-centric business model and the significant progress made towards executing our growth strategy which has laid the groundwork to position Element for long-term success:

- Record net revenue of \$1.3 billion driving record operating margins, adjusted earnings, and free cash flow per share
- Strong financial performance driven by a 35.8% increase in new originations, continued commercial success in converting self-managed fleets, increasing share of wallet from existing Element clients, and earning share from competitors
- Delivered adjusted operating margin expansion of 110 bps in 2023 while strategically reinvesting in the business and people to support future growth
- Strong free cash flow was driven primarily by strong origination growth and a 19.0% year-over-year increase in adjusted services revenue while allowing for significant reinvestment in the business
- Our EV activities surpassed expectations with strong gains across all regions resulting in a 40% EV acceptance rate, globally, and significant advances on Arc by Element initiatives.

Further, Element continued to advance on its strategic initiatives which includes centralizing accountability for U.S. and Canadian leasing in Dublin, Ireland, establishing a strategic sourcing and relationship management presence in Asia and prioritizing digitization and automation initiatives. Element is well positioned to sustain and continue building on its success to date.

### **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. 2023 short-term incentive awards for the CEO and other Named Executive Officers ("NEOs") are directly aligned to key strategic objectives and metrics, as represented on Element's 2023 Global Balanced Scorecard, with at least 50% based on financial results and 25% based on sustainability priorities. Long-term incentives granted to NEOs in 2023 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 vest. The CEO and other NEOs received 75% of their 2023 long-term incentive grant in PSUs, which are 100% at risk and vest January 1, 2026, with the other 25% in RSUs.

Based on Total Shareholder Return performance relative to the S&P/TSX Composite Index for the three-year performance period ended December 31, 2023, the 2021 PSUs paid out at a performance factor of 200% of target, in line with the 77.4% increase in Total Shareholder Return (TSR) during this period (and performing at the 86<sup>th</sup> percentile of companies in the Index), further aligning executive pay outcomes with the creation of value for our shareholders.

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

The Board and Management's disciplined stewardship of our business was recognized by the Globe and Mail in December 2023, where Element ranked in the top 10% overall in the newspaper's annual corporate governance rankings of 209 Canadian public companies. This achievement is one of many examples of Element's steadfast commitment to a culture of transparency and good governance.

With the commitment to continuous improvement and ensuring strong pay-for-performance alignment, the C&CG Committee approved the following changes beginning in 2024:

- Inclusion of an individual component to the short-term incentive plan for the CEO and Executive Vice Presidents. Business performance will continue to be directly linked to the key strategic objectives outlined in the Global Balanced Scorecard. Individual performance will reflect achievement against individual goals which directly align with Element's strategic priorities and will also include progress on talent, and diversity initiatives.
- To align with market practice and evolution of our executive compensation programs, we have eliminated the front-end multiplier on the annual LTIP award. As a result, all LTIP awards will be granted at target.
- We are in the process of reviewing the Performance Share Unit Plan design for 2025, with consideration of adding an additional metric.

## **CEO Succession**

Over the past two years, the board executed a carefully planned CEO succession process that resulted in Ms. Dottori-Attanasio's appointment to the role of CEO effective May 10, 2023. As part of the process, Ms. Dottori-Attanasio joined Element on February 15, 2023, as President, which provided her with an opportunity to build relationships with key stakeholders, and to work closely with Mr. Forbes, Element's former CEO, and the company's executive team to enable an orderly transition and continuity of strategy and leadership.

Mr. Forbes also played a critical role in the CEO succession process overseen by the Board. His support and involvement were an instrumental factor in a seamless process that has appropriately positioned the Corporation for continued success following his retirement. Mr. Forbes is serving as a strategic advisor to the CEO and Board Chair for a two-year period post his retirement.

## **CEO Compensation**

On an annual basis, the Compensation and Corporate Governance Committee reviews executive pay benchmarking and considers corporate and individual performance to make informed decisions on CEO compensation. Consistent with the compensation philosophy, a substantial portion of CEO pay is variable/at-risk and aligned to the creation of long-term shareholder value.

Ms. Dottori-Attanasio's employment terms remain consistent with Element's current philosophy and policies, with the addition of a post-retirement hold provision, where she will be required to

maintain the minimum equity ownership requirement for a period of one year following departure from the organization. Pursuant to the terms of Ms. Dottori-Attanasio's employment agreement with Element, in 2023 she received an annual base salary of \$1,000,000 and target total compensation of \$6,500,000. She also participated in the Corporation's short-and long-term incentive plans.

For 2023 performance, Ms. Dottori-Attanasio received a pro-rata short-term incentive award based on time in role. Mr. Forbes received a short-term incentive award reflecting fifty per-cent (50%) of target. The Board approved an annual short-term incentive performance factor of 122%, based on the composite result of five key objectives pre-defined on Element's 2023 Global Balanced Scorecard. Ms. Dottori-Attanasio was also awarded a target LTIP grant at \$4.5 million (75% PSUs and 25% RSUs).

The Board approved an increase to 2024 target total direct compensation for Ms. Dottori-Attanasio, to further align target total direct compensation with the market for CEO talent, which focused on the Canadian peer group and a subset of the smallest companies in the TSX60. See section "CEO Compensation – Laura Dottori-Attanasio".

The Board approved retirement and good leaver status for Mr. Forbes. Further details on his termination payments can be found in section "Termination and Change of Control Benefits for NEOs".

### **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 2024, the Board will continue to engage with you, Element's shareholders, and carefully consider your ongoing feedback as well as the outcome of this year's advisory vote on executive compensation. We remain committed to 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 C&CG 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 NEOs for fiscal year 2023. The following also summarizes certain changes that have been approved for the executive compensation program in 2024.

Our NEO's for fiscal year 2023 were:

<b>Named Executive Officers for 2023</b>	
Laura Dottori-Attanasio	President & Chief Executive Officer
Jay Forbes	Former President & Chief Executive Officer
Frank Ruperto	Executive Vice President & Chief Financial Officer
Jim Halliday	Executive Vice President & Chief Operating Officer
David Madrigal	Executive Vice President & Chief Commercial Officer
Jacqui McGillivray	Executive Vice President & Chief People and Social Impact Officer

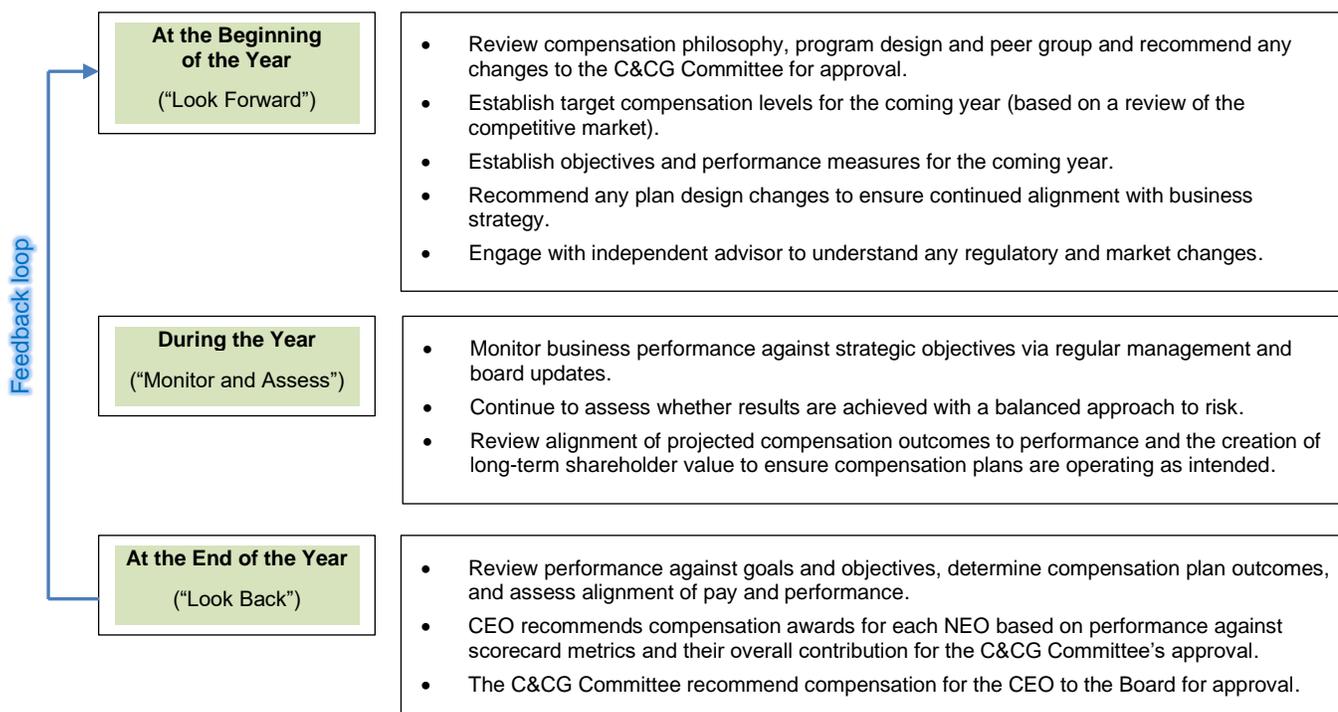
### **Our Approach to Compensation**

Our total rewards program is built around paying for the performance and behaviours that will drive sustainable performance and long-term value for 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 Global 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 (including sustainability), 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 interim performance, alignment to expectations and corresponding compensation outcomes to ensure the approach and awards remain appropriate. The Board has the ability to apply 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 as an independent advisor to assist with executing these responsibilities and Hugessen has remained the advisor through 2023.

Hugessen provided independent advice to the C&CG Committee on the following topics in 2023:

- 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.

In 2023, Willis Towers Watson continued 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	
	2023	2022	2023	2022
Hugessen Consulting	\$109,975	\$190,694	Nil	Nil
Willis Towers Watson	Nil	Nil	\$46,458	\$44,100

### 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 NEOs. 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. The compensation peer group is reviewed on an annual basis to ensure continued appropriateness.

Hugessen was engaged by the Board to assess and recommend changes to the peer group for 2023. Given how the business has evolved since 2018 and our go-forward strategy, our peer group was expanded to include companies with a business-to-business service focus (due to the lack of publicly-traded fleet management peers) and is more reflective of the market for executive talent, given the similarities in the complexity of the companies and their executive roles relative to that of Element.

Aligned with the North American talent requirement, the current approach is to identify two discrete proxy peer groups (one of Canadian-based organizations and one of US-based organizations) and then blend appropriately depending on the role. While a Canadian headquartered/TSX listed company, approximately 62% of revenue comes from U.S. operations and the majority of our staff is in the U.S. including three of the NEOs.

Criteria used to select proxy peers included:

- publicly traded companies headquartered in each country, with cross-border operations and operating in related industries (e.g., diversified support services, trucking, transportation/logistics, and trading companies and distributors); and
- companies of a similar size, primarily based on assets, and in consideration of revenue and market capitalization.

This peer group was used to benchmark both executive and director compensation market competitiveness for 2023.

As a result, Element's new peer group will consist of the following organizations:

<b>Canadian Proxy Peer Group</b> (Company Name and Primary Industry)		
<b>TFI International Inc.</b> Trucking	<b>IGM Financial Inc.</b> Asset Management & Custody Banks	<b>Toromont Industries Ltd.</b> Trading Companies and Distributors
<b>Finning International Inc.</b> Trading Companies and Distributors	<b>Boyd Group Services Inc.</b> Trading Companies and Distributors	<b>CI Financial Group</b> Asset Management & Custody Banks
<b>First National Financial Corp.</b> Trading Companies and Distributors	<b>GDI Integrated Facility Services Inc.</b> Diversified Support Services	

<b>U.S. Proxy Peer Group</b> (Company Name and Primary Industry)		
<b>Ritchie Bros. Auctioneers Inc.</b> Diversified Support Services	<b>United Rentals Inc.</b> Trading Companies and Distributors	<b>Knight-Swift Transportation Holdings Inc.</b> Trucking
<b>Schneider National, Inc.</b> Trucking	<b>Air Lease Corporation</b> Trading Companies and Distributors	<b>Ryder System, Inc.</b> Trucking
<b>GATX Corporation</b> Trading Companies and Distributors	<b>Herc Holding Inc.</b> Trading Companies and Distributors	<b>Forward Air Corporation</b> Air Freight and Logistics
<b>Custom Truck One Source, Inc.</b> Trading Companies and Distributors		

## Compensation Risk Management and Good Governance Practices

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

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

Sound pay practices at Element:
<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'</li> <li>• Alignment of compensation program design with business strategy, with short-term incentive tied to Global Balanced Scorecard objectives</li> <li>• Benchmark compensation against peer companies</li> <li>• Ensure executive alignment with shareholder interests through Equity Ownership Requirements. Post-retirement hold provision is in place for the CEO only</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>
<p><b>We do not permit the following problematic pay practices:</b></p> <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

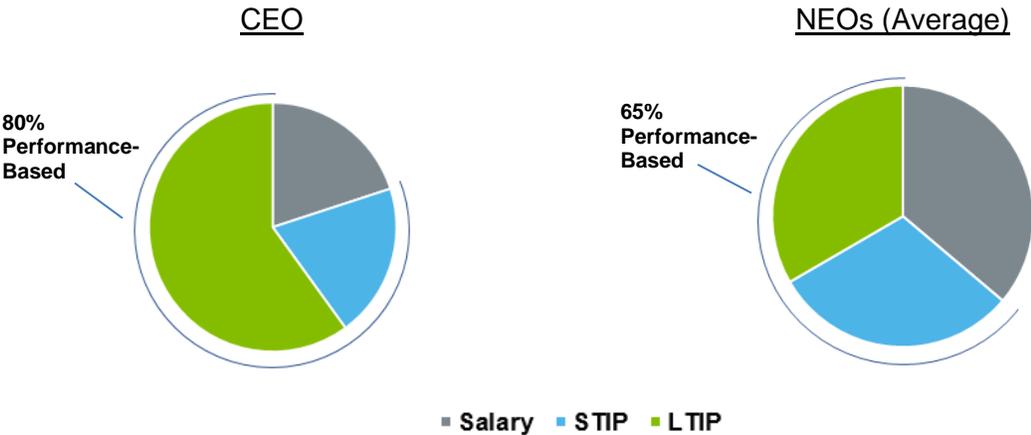
Total compensation for Element executives (including NEOs) is comprised of the components outlined in the table below. There are no pension or similar retirement plans at Element.

Component	Compensation Type	Objective	Description
Base Salary	Fixed	Attract and retain the right talent Provide market competitive compensation Reflects the role, skills and experience	Established with consideration for the Executive's performance, experience, and position in the Corporation, and relative to our peer group. Reviewed annually with increases in the event of change in role, responsibility or market.
Short-term Incentive (STIP)	Performance-based  Variable At-risk	Align pay with the achievement of annual goals and objectives Reward superior performance and provide competitive compensation Reward performance that supports the strategy and creates long-term value for shareholders Attract and retain the right talent	Target award is a percentage of base salary based on executive level and aligned with the competitive market. Awards are paid in cash following the determination of year-end performance. Bonuses are not paid unless a threshold level of performance is achieved. Awards range from 0% to 200% of target.
Long-term Incentive (LTIP)	Performance-based  Variable At-risk	Align executives with medium- and long-term interests of shareholders Attract and retain the right talent Reward performance that is aligned to the creation of long-term value for shareholders Promote Executive share ownership Provide market competitive compensation	In 2023 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 shareholder return (TSR) compared to the S&P/TSX Composite Index. Performance outcome range of 0% to 200%. <b>Restricted Share Units</b> Restricted Share Units with a three-year cliff vest.

Component	Compensation Type	Objective	Description
Benefits & Perquisites	Fixed	Attract and retain talent Align with the competitive market	Participation in Element's comprehensive group benefit plan (all employee plan). Certain NEOs also receive a taxable cash allowance for specific perquisites (not to exceed 10% of salary or \$50,000). In addition, certain NEOs may have a company vehicle if warranted for business use or tied to historical contract. NEOs also have the opportunity to participate in a group RRSP, 401(k) or superannuation.  As at December 31, 2023, 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.



**2023 Performance and Pay**

**Base Salary**

Base salaries are intended to provide Element’s NEOs with competitive salaries. Element will differentiate salary levels to reflect 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.

In consideration of the above, base salary increases were approved for Frank Ruperto, Jim Halliday, David Madrigal and Jacqui McGillivray, effective January 1, 2023.

Named Officer	2023 Base Salary (\$)
Laura Dottori-Attanasio	1,000,000
Frank Ruperto <sup>(1)</sup>	776,078
Jim Halliday <sup>(2)</sup>	776,078
David Madrigal <sup>(3)</sup>	674,850
Jacqui McGillivray	475,000

(1) Base salary of USD \$575,000 converted to CAD using the average 2023 FX rate of 1.3497.  
 (2) Base salary of USD \$575,000 converted to CAD using the average 2023 FX rate of 1.3497.  
 (3) Base salary of USD \$500,000 converted to CAD using the average 2023 FX rate of 1.3497.

**Short-term Incentives – Annual Incentive**

The 2023 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 2023 performance.

The Global Balanced Scorecard is reviewed on an annual basis to ensure the selected metrics continue to drive focus, clarify accountability and create alignment between performance and pay outcomes. The 2023 Global Balanced Scorecard reflects Element’s focus on driving profitable revenue growth atop a scalable operating platform to deliver free cash flow.

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

$$\begin{array}{c} \text{Target Bonus} \\ \text{(\$)} \end{array} \times \begin{array}{c} \text{Balanced} \\ \text{Scorecard} \\ \text{Result} \end{array} = \begin{array}{c} \text{STIP Award} \\ \text{(\$)} \end{array}$$

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, and minimum 25% on sustainability priorities (NPS, EE Engagement) as outlined in the table below. For 2023,

all NEOs, including the CEO, are measured on Element’s Global Balanced Scorecard performance.

### 2023 Global Balanced Scorecard and Short-term Incentive Results

For 2023, 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 to ensure balance across metrics while providing adequate focus for the individual executive. The weightings on the balance scorecard metrics cascade to each of the NEO’s direct reports to ensure alignment and focus through the organization.

Dimension	Metric	CEO Weighting	Other NEOs Weighting			
			CFO	COO	CCO	CPSIO
Our Clients	Net Promoter Score	10%	10%	15%	10%	10%
	Net Revenue Growth	25%	25%	25%	30%	25%
Our Business	Operating Margin %	25%	25%	25%	25%	25%
Our People	Employee engagement index	15%	15%	15%	15%	20%
Our Investors	Free Cash Flow (FCF)	25%	25%	20%	20%	20%

The C&CG Committee and Board reviewed and approved the 2023 Global Balanced Scorecard (BSC), including the targets and shoulders. At each C&CG Committee meeting, Element’s balanced scorecard and interim (as well as expected) performance for each metric is reviewed and discussed. 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. Performance against these strategic objectives is considered by the C&CG Committee in evaluating overall corporate performance and approving compensation decisions.

Dimension	Strategic Objective	Metric	Measurement
<b>Our Clients</b> <i>Grow by consistently delivering a superior service experience for our clients.</i>	Earn our clients’ loyalty	Net Promoter Score	Calculated based on the composite global result of the NPS survey, which is sent to Element’s clients on a quarterly basis.
	Grow net revenue	Net Revenue Growth	Net Revenue Growth is measured as annual % growth in YoY total net revenue. Results are aligned to the approved 2023 Financial Plan.
<b>Our Business</b> <i>Maintain and enhance scalability and sustainability of our business.</i>	Continuously improve the way we work	Operating Margin %	Operating Margin % is a measure of income after all operating expenses are considered. Each region/function will track contribution to overall global operating margin target.
<b>Our People</b> <i>Build a more inclusive, engaged and accountable workforce.</i>	Deliver a unique and rewarding employee experience	Employee Engagement Index	The total percentage of positive (‘strongly agree’ and ‘agree’) responses across 5 questions (per metric description) as a total average score and across global employee population.

Dimension	Strategic Objective	Metric	Measurement
<b>Our Investors</b> <i>Generate an appropriate return for our investors.</i>	Translate operating performance into superior cash returns to shareholders	Free Cash Flow (FCF) / Share Growth	FCF/share growth is measured as annual % growth in YoY FCF/share. Free Cash Flow Per share is a measure of the amount of free cash available for re-investment or distribution – divided by the number of common shares outstanding.

2023 performance factors were based on audited results approved by the Board, compared to the 2023 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 metrics targets and shouldered publicly.

Dimension	Metric	Threshold/Target/Outperform	2023 Actual Performance	2023 Actual Achievement	2023 Performance Factor
<b>Our Clients</b>	Net Promoter Score	37 / 43 / 50	41	Below Target	0.83
	Net Revenue Growth	2.3% / 6.1% - 7.5% / 11.2%	11.1%	Above Target	1.97
<b>Our Business</b>	Operating Margin %	0bps / 35bps – 50bps / 85bps	36bps	At Target	1.00
<b>Our People</b>	Employee engagement index	72% / 82% / 92%	73%	Below Target	0.55
<b>Our Investors</b>	Free Cash Flow (FCF) per share growth	7.7% / 16.7% - 16.9% / 25.7%	19.3%	Above Target	1.27

We either achieved or outperformed on all but two of our Global BSC metrics in 2023. Our narrow underperformance against our Net Promoter Score ("NPS") and Employee Engagement Index targets are discussed immediately below.

- **Our Clients** – Our global NPS finished at a high of 41 for 2023; up from 40 in 2022 driven by record-high scores in Mexico and ANZ, and strong scores in the U.S. and Canada. This said, our global NPS was marginally below target as a result of the fact that, as communicated in prior quarters, we recalibrated and increased our NPS targets for 2023 in response to our continued positive momentum. We are working hard to achieve even more for our clients in 2024 onward.
- **Our Business** – We continue to strengthen our client-centric business model through a disciplined approach to operational effectiveness, continuous improvement and innovation, risk management and the advancement of sustainability and ethical practices.
- **Our People** - Our people continue to focus on delivering consistent, superior client experience, while building a strong, diverse culture, and giving back to the communities where we work and live. Our underperformance in the Global BSC against our Employee Engagement Index target was largely driven by a return to in-person work.
- **Our Investors** – Fulfilling our commitments to clients is driving record-setting results for investors. We achieved all 2023 guidance targets. We also returned \$229.8 million of cash to common shareholders through dividends and buybacks of common shares in 2023.

## 2023 Short-term Incentive Awards for Named Executive Officers

Performance in 2023 translated into STIP performance factors of 1.22 for the CEO and between 1.18 and 1.25 for the NEOs. The C&CG Committee has the authority to apply discretion to individual payouts if warranted. 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 2023 STIP awards for each of the NEOs.

Named Officer	2023 STIP Target (\$)	Performance Factor	2023 STIP Award (\$)
Laura Dottori-Attanasio	876,712	1.22	<b>1,069,589</b>
Frank Ruperto <sup>(1)</sup>	823,317	1.22	<b>1,004,447</b>
Jim Halliday <sup>(2)</sup>	715,341	1.20	<b>858,409</b>
David Madrigal <sup>(3)</sup>	300,000	1.25	<b>506,138</b>
Jacqui McGillivray	318,750	1.18	<b>376,125</b>

(1) Target STIP of USD \$610,000 converted to CAD using the average 2023 FX rate of 1.3497.

(2) Target STIP of USD \$530,000 converted to CAD using the average 2023 FX rate of 1.3497.

(3) Target STIP of USD \$300,000 converted to CAD using the average 2023 FX rate of 1.3497.

## 2024 Global Balanced Scorecard and Short-term Incentive Program

The 2024 Global Balanced Scorecard was approved by the Board in February 2024. Similar to 2023, 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 will be based on achievement of both business and individual performance. Business performance will continue to be tied to key BSC metrics across each of the four dimensions. Individual performance will be based on achievement of goals aligned with their accountabilities and where they can have the greatest impact. Payments will be made in 2025.

### ***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 consideration for individual contribution, potential and retention, allowing for a grant above or below target. As these incentives comprise the majority of a senior executive's total compensation, target award levels and plan design are reviewed 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.

## 2023 Long-term Incentive Awards for Named Executive Officers

The table below summarizes LTIP targets & grants in 2023 and the different vehicles and relative value. For 2023, 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 contribution to achievement and advancement of Element objectives, potential and critical retention.



All 2023 LTIP grants to NEOs are summarized in the table below:

Named Officer	2023 Target LTIP Value (\$)	2023 Total LTIP Grant Value (\$)	PSUs (# granted)	RSUs (# granted)
Laura Dottori-Attanasio	4,500,000	4,500,000	177,796	59,265
Jay Forbes	3,000,000	3,000,000	118,531	39,510
Frank Ruperto <sup>(1)</sup>	1,234,976	2,190,030	86,529	28,843
Jim Halliday <sup>(2)</sup>	938,042	1,901,103	75,113	25,038
David Madrigal <sup>(4)</sup>	607,365	1,230,930	48,634	16,211
Jacqui McGillivray	376,250	564,375	22,299	7,433

- (1) Received an LTIP grant of USD \$1,601,250 converted to CAD using the FX rate of 1.3677 at the time of grant (target of USD \$915,000).
- (2) Received an LTIP grant of USD \$1,390,000 converted to CAD using the FX rate of 1.3677 at the time of grant (target of USD \$695,000).
- (3) Received an LTIP grant of USD \$900,000 converted to CAD using the FX rate of 1.3677 at the time of grant (target of USD \$450,000).

No stock options have been granted since 2018.

## 2023 Performance-based LTIP

The 2023 PSUs will vest at the end of three 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 P25	0%
Threshold	P25	50%
Target	P50	100%
Maximum	P75 and Above	200%

Performance in between threshold, target and maximum is interpolated. The design also has a qualifier whereby if Element TSR is negative, payout is capped at target regardless of

performance against the S&P/TSX Composite. Performance criteria for the PSUs is reviewed on an annual basis to ensure continued appropriateness. Both RSUs and PSUs have a three-year cliff vest.

Payment of 2021 PSU Awards (vested January 1, 2024)

In accordance with the Share Unit Plan, the 2021 PSUs vested on January 1, 2024. Actual three-year total shareholder return of 77.4% compared to the S&P/TSX Composite Index resulted in a percentile rank of 86% and a payout factor of 200% of target.

Incorporating the impact of dividend equivalents received over the three-year performance period, the PSU performance at 200% of target and the fair market value of the Common Shares on the date of vesting, the actual payout value of the 2021 PSU grants to NEOs were as follows:

Name	PSUs Granted in 2021		Value as of Vesting <u>Date</u> <sup>3</sup>		
	Value <sup>(1)</sup> (\$)	Number Granted	Number of Accumulated PSUs <sup>(2)</sup>	Number of Accumulated PSUs times 200%	Payout Value (\$)
Laura Dottori-Attanasio	—	—	—	—	—
Jay Forbes <sup>4</sup>	\$3,375,000	254,838	271,319	542,638	<b>\$11,800,803</b>
Frank Ruperto	\$819,605	61,886	65,889	131,778	<b>\$2,865,789</b>
Jim Halliday	\$748,950	56,551	60,209	120,418	<b>\$2,618,742</b>
David Madrigal	\$395,672	29,876	31,809	63,618	<b>\$1,383,507</b>
Jacqui McGillivray	\$334,688	25,271	26,905	53,810	<b>\$1,170,211</b>

(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 (\$13.2437).

(2) Includes additional PSUs accumulated 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 200% times the fair market value (average closing price of stock on the 10 trading days prior to vesting) which, on January 1, 2024, was \$21.7471.

(4) The Board approved retirement and good lever status for Mr. Forbes. All outstanding LTIP awards will vest in normal course and payments will be aligned to actual performance.

## CEO Compensation – Laura Dottori-Attanasio



The C&CG Committee approved a compensation package for Ms. Dottori-Attanasio that is market competitive and aligns realized compensation to the successful attainment of the Corporation’s strategic objectives.

The Board approved an increase to 2024 target total direct compensation for Ms. Dottori-Attanasio, to further align target total direct compensation with the market for CEO talent, which focused on the Canadian peer group and a subset of the smallest companies in the TSX60. Ms. Dottori-Attanasio’s 2024 compensation target is base salary of \$1,100,000, STIP target of 125% and LTIP target of 400% for a total of \$6,875,000. This is an increase of 5.8% over 2023.

The table below summarizes Ms. Dottori-Attanasio’s total compensation for 2023.

Compensation Element	2023 Target Compensation	2023 Actual Compensation
Base Salary	\$1,000,000	\$878,846
Short-term Incentive	\$1,000,000	\$1,069,589
Long-term Incentive	\$4,500,000	\$4,500,000
<b>Total Compensation</b>	<b>\$6,500,000</b>	<b>\$6,455,068</b>

The CEO established strategic objectives aligned to the organization’s BSC objectives and provided regular progress updates to the Board throughout the year. Based on the progress the Corporation made in the advancement of its BSC objectives, Ms. Dottori-Attanasio’s short-term incentive factor was (per above) calculated as 1.22. As detailed in the 2023 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:

- Led every dimension of our global growth strategy, growing Net Revenue 14.3% year-over-year to \$1.3 billion through share of wallet gains with an emphasis on converting self-managed fleets.
- Advanced our capital-light business model, by growing both services and syndication revenue. Service revenue grew by 16.7% year-over-year to \$678.2 million and syndication volume was a record \$3.4 billion, reflecting the strong demand for Element’s assets.
- Enabled client fleet electrification with gains across all regions resulting in a 40% EV acceptance rate, globally, and advances on Arc by Element initiatives.
- Continued improvement of our service level to our clients; while our global NPS (41) slightly underperformed our target (43), we improved our score from 2022 (40) and saw an upward trend in the score in Q4.
- Focused on building a strong and sustaining culture; while our global employee engagement score decreased to 73%, we believe the efforts to have employees consistently return to the office will have long term benefits on culture and engagement.

- Launched key strategic initiatives to position Element for sustained success, including through centralizing accountability for our U.S. and Canadian leading operations in Ireland, establishing a sourcing presence in Asia, and prioritizing digitization and automation initiatives.
- Generated \$1.62 of free cash flow per share – 27 cents more year-over-year driven primarily by strong origination growth and a 19% year-over-year increase in adjusted services revenue while allowing for reinvestment in the business and return of capital to shareholders.

## Equity Ownership Requirements

The Corporation has an 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 RSUs and DSUs.

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.

For the CEO, there is a requirement to maintain the equity ownership level for one year following retirement from the organization.

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 tables summarize the NEOs subject to an equity ownership requirement, the number held and market value of common shares and RSUs held which count towards the ownership requirement.

NEO	# RSU	# Common Shares	Total # Held
Laura Dottori-Attanasio	60,516	203,900	<b>264,416</b>
Frank Ruperto	215,110	8,700	<b>223,810</b>
Jim Halliday	73,919	88,001	<b>161,920</b>
David Madrigal	42,608	12,951	<b>55,559</b>
Jacqui McGillivray	28,892	8,000	<b>36,892</b>

NEO	Ownership Requirement \$	Value of RSUs Held	Value of Common Shares Held	Meets Requirements	Total Value Held <sup>(1)</sup>
Laura Dottori-Attanasio	\$5,000,000	\$1,304,725	\$4,396,084	Yes	<b>\$5,700,809</b>
Frank Ruperto <sup>(2)</sup>	\$2,328,233	\$4,637,772	\$187,572	Yes	<b>\$4,825,344</b>
Jim Halliday <sup>(3)</sup>	\$2,328,233	\$1,593,694	\$1,897,302	Yes	<b>\$3,490,995</b>
David Madrigal <sup>(4)</sup>	\$674,850	\$918,628	\$279,224	Yes	<b>\$1,197,852</b>
Jacqui McGillivray	\$475,000	\$622,912	\$172,480	Yes	<b>\$795,392</b>

(1) Represents total number of Common Shares and RSUs held by the NEO as at December 31, 2023. The market value of Common Shares & share units is based on the closing price of the Common Shares on the TSX on December 31, 2023 (\$21.56).

(2) Ownership requirement of USD \$1,725,000 converted to CAD using the FX rate as of December 31, 2023, of 1.3497.

(3) Ownership requirement of USD \$1,725,000 converted to CAD using the FX rate as of December 31, 2023, of 1.3497.

(4) Ownership requirement of USD \$500,000 converted to CAD using the FX rate as of December 31, 2023, of 1.3497.

## 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

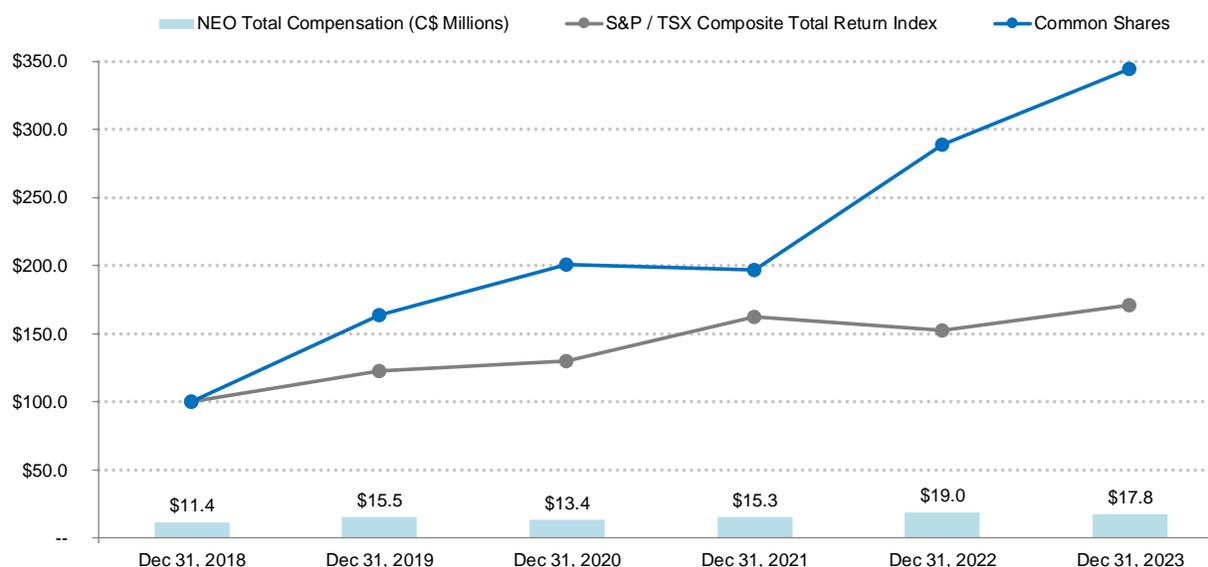
Pursuant to Element's Insider Trading Policy, directors and executive officers of Element are expressly prohibited from, directly or indirectly, undertaking any activities or engaging in trades in securities whereby the interests of such person making the trade are not aligned with those of Element (or 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, 2018 and ending December 31, 2023.

Over the five most recently completed financial years (from December 31, 2018 to December 31, 2023), total shareholder returns for Element have increased by approximately 245%. During that same period, the total compensation received by Element's NEOs has increased. For 2023 specifically, overall compensation levels for Element's top five NEOs were \$17.8 million (down from \$19.0 million in 2022 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, 2018, 2019, 2020, 2021, 2022 and 2023 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, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Common Shares	100.0	163.7	201.0	197.2	289.0	344.7
S&P/TSX Composite Total Return Index	100.0	122.9	129.8	162.3	152.8	170.8

## CEO Link Between Performance and Compensation

The table below illustrates Element's strong track record of aligning CEO pay to Element's performance. The table compares the current value of compensation awarded to our CEOs from 2018-2023 to the value received by shareholders over the same period.

The current value of CEO awards as at December 31, 2023, for the fiscal years noted represents the total of:

1. Realized pay received by the CEO (the sum of base salary, STIP, the payout value of share units granted during the period)
2. Potential realizable value of awards yet to be paid (the sum of the current value of the unvested units granted during the period)

Year	CEO	CEO				Period	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, 2023 [A + B]		CEO	Shareholder Value
2018	Forbes	\$2.3	\$4.5	\$0.0	\$4.5	May 11, 2018 <sup>(4)</sup> – Dec 31, 2023	\$190.9	\$549.5
2019	Forbes	\$5.8	\$13.5	\$4.5	\$17.9	Jan 1, 2019 - Dec 31, 2023	\$309.8	\$357.8
2020	Forbes	\$5.7	\$11.8	\$6.4	\$18.2	Jan 1, 2020 - Dec 31, 2023	\$319.8	\$218.9
2021	Forbes	\$6.8	\$2.3	\$13.8	\$16.1	Jan 1, 2021 - Dec 31, 2023	\$235.9	\$178.1
2022	Forbes	\$8.7	\$2.7	\$11.0	\$13.6	Jan 1, 2022 - Dec 31, 2023	\$157.4	\$181.3
2023	Forbes	\$4.0	\$1.0	\$3.5	\$4.5	Jan 1, 2023 - Dec 31, 2023	\$112.1	\$123.8
2023	Dottori-Attanasio	\$6.4	\$1.9	\$5.2	\$7.2	May 10, 2023 <sup>(5)</sup> - Dec 31, 2023	\$111.1	\$111.6
<b>Average CEO</b>		<b>\$5.7</b>	<b>\$5.4</b>	<b>\$6.3</b>	<b>\$11.7</b>	<b>May 11, 2018 – Dec 31, 2023</b>	<b>\$205.3</b>	<b>\$245.9</b>

(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, PSUs as of Dec 31, 2023 + in-the-money value of stock options

(4) Mr. Forbes was granted \$2.5 million in performance stock options upon hire, which vested one-third annually, only if Element TSR was 65 percentile or higher relative to the S&P/TSX Composite Index. The final tranche vested in May 2021. We have shown the in-the-money value of the performance stock grant at the end of each year (realizable pay). The total shareholder return of Element compared to the S&P/TSX Composite Total Return Index for the period that Mr. Forbes was CEO – May 11, 2018 to May 10, 2023 (493% vs. 150% respectively). This highlights the alignment between the gain in the stock option value (realizable pay) and shareholder value created over the period).

(5) May 10, 2023 is the date when Ms. Dottori-Attanasio was announced as CEO.

## 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 three fiscal years.

	2023	2022	2021
Total Aggregate NEO Compensation <sup>(1)</sup>	<b>\$17.8M</b>	\$19.0M	\$15.3M
Adjusted Operating Income <sup>(2)</sup>	<b>\$716M</b>	\$600M	\$512M
As a percentage of Adjusted Operating <sup>(2)</sup> Income	<b>2.5%</b>	3.2%	3.0%

- (1) Total NEO compensation includes all elements of compensation for the top five NEOs (excluding any termination payments).
- (2) Adjusted results are non-GAAP or supplemental financial measures, which do not have any standard meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "IFRS to Non-GAAP Reconciliations" section in the Corporation's latest MD&A. The Company uses "Adjusted Results" because it believes that they provide useful information to investors regarding its performance and results of operations.

## Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2023 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>		
Laura Dottori-Attanasio, <sup>(5)</sup> <i>Chief Executive Officer</i>	2023	\$878,846	\$4,500,000	—	\$1,069,589	—	\$6,448,435
	2022	—	—	—	—	—	—
	2021	—	—	—	—	—	—
Jay Forbes, <sup>(6)</sup> <i>Former Chief Executive Officer</i>	2023	\$364,103	\$3,000,000	—	\$610,000	\$73,846	\$4,047,949
	2022	\$1,000,000	\$6,000,000	—	\$1,650,000	—	\$8,650,000
	2021	\$1,000,000	\$4,500,000	—	\$1,310,000	—	\$6,810,000
Frank Ruperto, <sup>(7)</sup> <i>EVP &amp; Chief Financial Officer</i>	2023	\$776,078	\$2,190,030	—	\$1,004,447	—	\$3,970,554
	2022	\$715,715	\$1,673,141	—	\$1,245,344	—	\$3,634,200
	2021	\$689,425	\$1,092,807	—	\$842,239	—	\$2,624,471
Jim Halliday, <i>EVP &amp; Chief Operating Officer</i>	2023	\$776,078	\$1,901,103	—	\$858,409	—	\$3,535,590
	2022	\$715,715	\$1,334,987	—	\$1,131,090	—	\$3,181,792
	2021	\$664,355	\$998,600	—	\$936,741	—	\$2,599,696
David Madrigal, <i>EVP &amp; Chief Commercial Officer</i>	2023	\$674,850	\$1,230,930	—	\$506,138	—	\$2,411,918
	2022	\$553,053	\$729,194	—	\$648,047	—	\$1,930,294
	2021	\$501,400	\$527,562	—	\$515,189	—	\$1,544,151
Jacqui McGillivray, <sup>(8)</sup> <i>EVP &amp; Chief People &amp; Social Impact Officer</i>	2023	\$475,000	\$564,375	—	\$376,125	\$2,042,750	\$3,440,250
	2022	\$450,000	\$605,938	—	\$516,375	—	\$1,572,313
	2021	\$425,000	\$446,251	—	\$408,000	—	\$1,279,251

- (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) No stock options have been granted since 2018.
- (3) As determined by the C&CG Committee of the Board. See section entitled "Compensation Discussion and Analysis – Compensation Components".
- (4) During 2023, 2022, and 2021, 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) Ms. Dottori-Attanasio joined Element on February 15, 2023, as President of the Corporation and assumed the role of Chief Executive Officer on May 10, 2023.
- (6) Mr. Forbes is included in this Summary Compensation Table as required by applicable securities laws, as he acted as Chief Executive Officer and was a significant earner of the Corporation during fiscal year 2023. Mr. Forbes retired from his position as Chief Executive Officer of the Corporation effective May 10, 2023. All other compensation reflects the total salary received for his Strategic Advisor role from June 1, 2023, until December 31, 2023.
- (7) Mr. Ruperto joined Element on January 25, 2021, as EVP Finance and assumed the role of EVP & CFO on March 5, 2021.
- (8) Ms. McGillivray ceased employment as the Corporation's Chief People and Social Impact Officer effective December 31, 2023. As per her employment agreement, she was entitled to a termination without cause payment in the amount of \$2,042,750.

## 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, 2023.

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> (\$)
Laura Dottori-Attanasio	—	—	—	—	242,065	\$5,218,921	—
Jay Forbes	—	—	—	—	1,031,649	\$22,242,352	—
Frank Ruperto	—	—	—	—	475,707	\$10,256,243	—
Jim Halliday	53,874	\$12.62	Dec 19, 2024	\$481,634	295,684	\$6,374,947	—
	67,328	\$13.06	Mar 13, 2025	\$527,288			
	201,304	\$5.73	May 16, 2026	\$3,186,642			
David Madrigal	30,689	\$5.73	May 16, 2026	\$485,807	170,429	\$3,674,449	—
	8,334	\$11.14	Nov 16, 2024	\$86,840			
	7,384	\$12.62	Dec 19, 2024	\$66,013			
Jacqui McGillivray	100,000	\$8.05	Dec 31, 2024	\$1,351,000	117,081	\$2,524,266	—

- (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, 2023 (\$21.56).
- (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, 2023, which was \$21.56 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 2023.

<b>Name</b>	<b>Option-based awards – Value vested or earned during the year (\$)</b>	<b>Share-based awards - Value vested or earned during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Laura Dottori-Attanasio	—	—	\$1,069,589
Jay Forbes	—	\$9,612,178	\$434,520
Frank Ruperto	—	—	\$1,044,447
Jim Halliday	—	\$2,928,909	\$858,409
David Madrigal	—	\$1,105,316	\$506,138
Jacqui McGillivray	—	\$1,313,042	\$376,125

### **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.

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Options (as at December 31, 2023)</b>	<b>Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2023)</b>	<b>Number of Securities Remaining Available for Future Issuance Under the Option Plan (excluding securities reflected in (a)) (as at December 31, 2023)</b>
Equity Compensation Plans Approved by Security holders <sup>(1)</sup>	556,269	\$8.49	0
Equity Compensation Plans Not Approved by Security holders	—	—	—

(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 decided not to seek re-approval of the Option Plan. 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.

## **LONG-TERM INCENTIVE PLANS**

### **Long-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 PSUs and 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 2023, the Corporation granted a total of 595,637 PSUs (excluding reinvested dividends) and a total of 1,897,739 PSUs are outstanding as of December 31, 2023 (with 664 cancelled or forfeited).

During 2023, the Corporation granted a total of 775,932 RSUs (excluding reinvested dividends) and a total of 1,841,642 RSUs are outstanding as of December 31, 2023 (with 74,120 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 2023 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 five years of service;
- 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 2021 annual shareholder meeting. As a result, while there are previously granted stock options (“Options”) that remain outstanding, the Corporation did not grant any options in 2021 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 2023, the Corporation did not grant any Options and a total of 556,269 Options remained outstanding as of December 31, 2023 (representing approximately 0.14% of the issued and outstanding Common Shares on a fully diluted basis).

Since the inception of the Option Plan, a total of 20,348,734 Common Shares have been issued pursuant to the exercise of Options, representing approximately 5.23% of the outstanding Common Shares on a non-diluted basis.

#### Stock Option overhang, dilution and burn rates

	2023	2022	2021
Overhang <sup>(1)</sup>	4.16%	4.34%	4.81%
Dilution <sup>(2)</sup>	0.14%	0.96%	1.35%
Burn Rate <sup>(3)</sup>	0.00%	0.00%	0.00%

(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 did not grant DSUs to NEOs or any other non-directors in 2023. However,

in order to further align the interests of executives and shareholders, executives will have the option in future years to elect to receive a portion of their STIP in DSUs. Such election must be made prior to the year in respect of which the STIP is earned.

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 2023, the Corporation granted 94,638 DSUs to directors. No DSUs were awarded to NEOs in 2023.

### **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	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	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 Ms. Dottori-Attanasio**

Laura Dottori-Attanasio entered into an employment agreement with the Corporation as of February 15, 2023, pursuant to which she became President of the Corporation following which on May 10, 2023, became CEO. Under the terms of her employment agreement, if Ms. Dottori-Attanasio 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. Dottori-Attanasio with a payment equal to 24 months of Cash Compensation. For the purposes of Ms. Dottori-Attanasio's employment agreement, "Cash Compensation" means the total of (A) Ms. Dottori-Attanasio's base salary as of the termination date, (B) the greater of her 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 her perquisite package, not to exceed \$49,900. As at December 31, 2023 such amount would be equivalent to \$4,049,900. Ms. Dottori-Attanasio 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. Dottori-Attanasio would 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, 2023, Ms. Dottori-Attanasio would hold units with an estimated combined in-the-money value of \$5,218,921.

**Employment Agreement of Mr. Ruperto**

Frank Ruperto entered into an employment agreement with the Corporation as of January 25, 2021, pursuant to which he became interim EVP, Finance following which on March 4, 2021, became EVP, Chief Financial Officer. Under the terms of his employment agreement, if Mr. Ruperto 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. Ruperto with a payment equal to: (i) 12 months of Cash Compensation if he is terminated after January 25, 2021, but before January 25, 2023; (ii) 18 months of Cash Compensation if he is terminated after January 25, 2023, but before

January 25, 2024; or (iii) 24 months of Cash Compensation if he is terminated after January 25, 2024. For the purposes of Mr. Ruperto's employment agreement, "Cash Compensation" means the total of (A) Mr. Ruperto's base salary as of the termination date, (B) the greater of Mr. Ruperto'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. As at December 31, 2023 such amount would be equivalent to \$2,730,516. Mr. Ruperto 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. Ruperto 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, 2023, Mr. Ruperto would hold units with an estimated combined value of \$10,256,243.

### ***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, 2023, such amount would be equivalent to \$3,139,499 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, 2023, Mr. Halliday would hold Options and units with an estimated combined in-the-money value of \$10,615,511.

### ***Employment Agreement of Mr. Madrigal***

David Madrigal entered into an employment agreement with the Corporation as of January 16, 2020, pursuant to which he became the Corporation's CCO. Under the terms of his employment agreement, if Mr. Madrigal 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. Madrigal with a payment equal to: 24 months of Cash Compensation. For the purposes of Mr. Madrigal's employment agreement, "Cash Compensation" means the total of (A) Mr. Madrigal's base salary as of the termination date and (B) the greater of Mr. Madrigal'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. As at December 31, 2023 such amount would be equivalent to \$2,296,094. Mr. Madrigal 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. Madrigal 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, 2023, Mr. Madrigal would hold Options and units with an estimated combined value of \$4,313,109.

### ***Employment Agreement of Mr. Forbes***

Mr. Forbes retired as the Corporation's CEO effective May 10, 2023. In connection with this retirement, Mr. Forbes' received a 2023 short-term incentive payment reflecting fifty percent of target and his RSUs and PSUs will vest in the normal course. He is also entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for a period of 12 months following the retirement date and will receive the benefit of tax preparation and filing support, consistent with levels received while employed, for a period of five years following the retirement date. Mr. Forbes did not receive a severance payment.

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

Jacqui McGillivray ceased employment as the Corporation's Chief People and Social Impact Officer effective December 31, 2023. As per her employment agreement, she was entitled to a termination without cause payment in the amount of \$2,042,750, being equal to 24 months of Cash Compensation. 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. Ms. McGillivray is also entitled to continue to participate in the Corporation's benefits plans (excluding disability coverage) for the same period. In addition, Ms. McGillivray's RSUs and PSUs will vest in the normal course and her stock options will expire on December 31, 2024. As of December 31, 2023, the total in-the-money value of her Options and units was \$3,875,266.

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 1, 2024, no indebtedness was outstanding for the purchase of securities of the Corporation and for other purposes by any individuals who were current or former directors, officers and employees of the Corporation and its subsidiaries.

### **Indebtedness of Directors and Executive Officers under Securities Purchase Program**

As of April 1, 2024 and during the year ended December 31, 2023, there was no indebtedness of directors and executive officers of the Corporation (including any person who, during the year-ended December 31, 2023, 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, 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.

### **Interests of Informed Persons in Material Transactions**

The Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director or any associate or affiliate of any informed person or proposed director in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its affiliates or subsidiaries.

### **Interests of Certain Persons or Companies in Matters to be Acted Upon**

None of the Corporation's directors or executive officers, nor any person who has had such a position since January 1, 2023, nor any proposed nominee for election as our director, nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, other than the election of directors.

### **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 \$341,243.

### **AVAILABLE INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.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, Chief Legal & Sustainability Officer 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 1, 2024.

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

**David Colman**  
*Executive Vice President, Chief Legal &  
Sustainability Officer*

## APPENDIX A

### ELEMENT FLEET MANAGEMENT CORP. BOARD OF DIRECTORS MANDATE

*As of February 27, 2024*

#### **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**

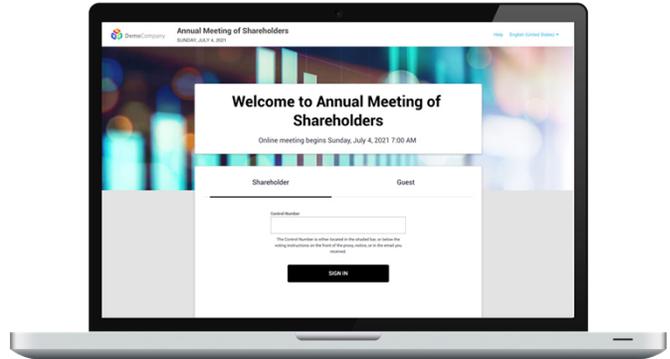
**VIRTUAL AGM USER GUIDE**

# HOW TO PARTICIPATE IN THE MEETING ONLINE

## Attending the Meeting online

We will be conducting a Virtual Meeting, giving you the opportunity to attend the meeting online, using your smartphone, tablet or computer.

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



Visit <https://meetnow.global/M4MYPFC>

Participate

May 15, 2024 at 10:00 AM EST

You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

To join, you must have your Control Number or Invite Code.

You will be able to log into the site up to 60 minutes prior to the start of the meeting.



### Access

Once the webpage above has loaded into your web browser, click **JOIN MEETING NOW** then select **Shareholder** on the login screen and enter your **Control Number**, or if you are an appointed proxyholder, select **Invitation** and enter your **Invite Code**.

If you have trouble logging in, contact us using the telephone number provided at the bottom of the screen.

#### Important Notice for Non-Registered Holders:

Non-registered holders (holders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to participate at the meeting. Non-registered holders that wish to attend and participate should follow the instructions on the voting information form and in the management information circular relating to the meeting to appoint and register yourself as proxyholder, otherwise you will be required to login as a guest.

#### If you are a guest:

Select **Guest** on the login screen. As a guest, you will be prompted to enter your name and email address.

*Please note: Guests will be able to ask questions but not vote at the meeting.*



### Navigation

When successfully accessed, you can view the webcast, vote, ask questions, and view meeting documents.

If viewing on a computer, the webcast will appear automatically once the meeting has started.



### Voting

Resolutions will be put forward for voting in the **Vote** tab. To vote, simply select your voting direction from the options shown.

Be sure to vote on all resolutions using the numbered link, if one appears, within the **Vote** tab.

Your vote has been cast when the check mark appears.



### Q&A

Any authenticated holder or appointed proxy attending the meeting online is eligible to partake in the discussion.

Access the **Q&A** tab, type your question into the box at the bottom of the screen and then press the **Send** button.

