ELEMENT FLEET MANAGEMENT CORP.

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 26, 2018

AND

MANAGEMENT INFORMATION CIRCULAR

May 21, 2018

ELEMENT FLEET MANAGEMENT CORP.

Invitation to Shareholders

Dear Fellow Shareholders,

On behalf of the Board and management, I am pleased to invite you to join me at our annual meeting of common shareholders of Element Fleet Management Corp. ("Element"). The meeting will be held at the offices of Blake, Cassels & Graydon, LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, Canada on Tuesday, June 26, 2018 at 9:00 a.m. (Toronto time).

The meeting is your opportunity to exercise your voting rights and meet with Element's Board of Directors (the "Board") and management team. Following the formal business of the meeting, members of Element's management will review Element's performance in 2017 and discuss the current strategic direction of the corporation.

The past year was a transitional one for Element and the corporation's share price performance was disappointing. Element is now back on track and executing on its strategic plan, with a renewed focus on customer experience and retention, expense management and revenue growth. Element recently appointed a proven business leader, Jay Forbes, as Chief Executive Officer and significantly refreshed the Board.

Appointment of Jay Forbes as CEO

Following a comprehensive CEO search process undertaken by the Board and its external advisors, in which both internal and external candidates were considered, Element appointed Jay Forbes as Chief Executive Officer, effective June 1, 2018. Mr. Forbes brings operational expertise, strong financial acumen, and a firm grasp of technology to Element. In addition, Mr. Forbes has extensive experience as chief executive officer of a Canadian public company, including serving as CEO of Manitoba Telecom Services Inc. ("MTS") and prior to that of Aliant Inc., both large-cap Canadian businesses. As President and Chief Executive Officer of MTS, Mr. Forbes designed and executed a customer-centric strategy that created $1.1 billion in shareholder value. Mr. Forbes' skills and experience will be tremendous assets as Element looks to realize the promise inherent in its leading global fleet management platform.

Re-Constituted Board of Directors

Element has also undertaken a reconstitution of its Board of Directors. Rubin McDougal and Keith Graham, two independent directors, were appointed to the Board on May 14, 2018. Mr. McDougal brings extensive public company, finance, credit, logistics and financial reporting experience to the Board. Mr. Graham brings with him extensive business, investment and asset management expertise. In addition, Jay Forbes was appointed to the Board effective May 14, 2018. Further, Element is nominating two new independent directors for election at the meeting, Andrew Clarke and Alexander Greene, who each have strong backgrounds in transportation services, logistics and finance, as well as a broad range of public company executive and board-level experience.

Steven Hudson and Richard Venn are not standing for re-election to the Board at this year's meeting. The Board thanks Steven and Richard for their many years of valuable service and the significant role they played in firmly establishing Element as a leader in global fleet management. Mr. Hudson deserves particular

recognition for his outstanding contribution as founder and builder of the Element Fleet platform, both as Chief Executive Officer and for the last year and a half as Vice-Chairman of the Board.

Eight of nine nominees for election to the Board at this year's meeting are independent of Element. We believe that the reconstituted Board will help drive significant value for all shareholders.

Ongoing Commitment to Pay-for-Performance

As both Chairman of the Board and Chair of the Compensation and Corporate Governance Committee, I take pride in the Board's development of a compensation program that is closely linked to shareholder value and encourages strong results. My message to shareholders that appears at page 34 of the accompanying Management Information Circular (the "Circular") details the enhancements made to executive compensation at Element in 2017 and thus far in 2018. It is also worth highlighting certain initiatives here:

- *CEO and NEO Bonuses*: In 2017, our Chief Executive Officer did not receive a bonus while other named executive officers ("NEOs") received bonuses significantly below their target.
- *New CEO's Compensation*: Our new Chief Executive Officer will receive a lower base salary than his predecessor.
- *NEO Base Salaries and Bonuses*: In 2018, there will be no increases to NEO base salaries or bonus targets.
- *Long-Term Incentives*: In 2018, all NEOs will receive 50% of their long-term incentives in the form of performance share units (up from 33% in 2017).
- *Director Compensation*: In 2018, for the second consecutive year, director compensation has been reduced.

The foregoing is illustrative of the Board's strong commitment to pay-for-performance best practices. At the meeting, shareholders will be asked to vote on Element's approach to executive compensation and we hope you will support us and the direction Element is headed by voting FOR our "say-on-pay" resolution.

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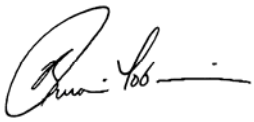
The Circular contains important information. Please be sure to take some time to read it and remember to vote your shares on all items to be considered. Should you be unable to attend the meeting in person, we urge you to vote your shares in advance of the meeting by delivering your completed proxy or voting instructions as explained in the Circular.

Thank you for your continued confidence in Element and we look forward to welcoming you on June 26, 2018.

Sincerely,



The Hon. Brian Tobin
Chairman of the Board

May 21, 2018

ELEMENT FLEET MANAGEMENT CORP.

Notice of Annual Meeting of Shareholders
June 26, 2018

Notice is hereby given that the annual meeting of the holders of common shares of Element Fleet Management Corp. (the "Corporation") will be held at the offices of Blake, Cassels & Graydon, LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, Canada on Tuesday, June 26, 2018 at 9:00 a.m. (Toronto time) (the "Meeting") for the following purposes:

1. to receive the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2017 and the auditors' report thereon, a copy of which is enclosed herewith;

2. to elect the Directors of the Corporation;

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

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

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

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the Meeting. The Management Information Circular includes important information about the items to be considered at the Meeting and how to exercise your vote. If you are unable to attend the Meeting in person, you may vote by proxy by following the instructions in the Management Information Circular. Proxies must be received not later than Friday, June 22, 2018 at 9:00 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 21st day of May, 2018.

By Order of the Board of Directors

David Colman
Senior Vice President, General Counsel & Corporate Secretary

ELEMENT FLEET MANAGEMENT CORP.

Management Information Circular for Annual Meeting of Shareholders
June 26, 2018

PROXIES

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with the solicitation, by or on behalf of the management of Element Fleet Management Corp. ("Element" or the "Corporation"), of proxies to be used at the Corporation's annual meeting of the holders of common shares of the Corporation (the "Common Shares") to be held on Tuesday, June 26, 2018 (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 Investor Services Inc. ("Computershare") at nominal cost. In addition, Element has retained Kingsdale Advisors ("Kingsdale") as proxy solicitation agent in connection with the solicitation of proxies for the Meeting. For solicitation services Kingsdale will receive a fixed fee of $50,000, plus customary per-call and communications fees, if applicable. Shareholders can contact Kingsdale either by mail at Kingsdale Advisors, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-866-581-0510 or collect call outside North America at 416-867-2272, or by e-mail at contactus@kingsdaleadvisors.com. The cost of solicitation will be borne by the Corporation.

Appointment of Proxyholder

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.

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

In the case of non-registered shareholders 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 Investor Services Inc. or the Senior Vice President, General Counsel & Corporate Secretary of the Corporation not later than Friday, June 22, 2018 at 9:00 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.

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

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.

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.

Appointment of Proxy

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 voting instruction form ("VIF" and, 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 in person (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.

The Corporation is not utilizing the notice-and-access mechanism under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations* for distribution of this Circular.

VOTING SHARES

Voting Shares

As at May 21, 2018, the Corporation had 380,550,775 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Record Date

The Board has fixed May 25, 2018 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at May 21, 2018, no person beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares.

MATTERS TO BE ACTED UPON AT MEETING

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

1. Financial Statements

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

2. Election of Directors

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

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

The director nominee profiles set out in this Circular provide detailed information about each nominee for election to the Board, including their expertise, committee memberships, meeting attendance, public board memberships and voting results for last year's director elections, the number of securities beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as of December 31, 2017, and 2017 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.

3. 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.

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.

4. 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. The Corporation believes that its approach to executive compensation is in the shareholders' best interests because 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 38.

At the Meeting, the holders of Common Shares will be requested to vote on the way the Corporation compensates its executives. This vote is advisory only and non-binding on the Corporation and the Board. However, it will influence how the Compensation and Corporate Governance Committee ("C&CG Committee") considers executive compensation matters in the future.

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 2018 Annual Meeting of Shareholders of the Corporation."

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

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

Forward-looking statements are provided for the purposes of assisting the reader in understanding Element and its business, operations, risks, financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

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

Additional information about the risks and uncertainties of Element's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in Element's Annual Information Form and MD&A for fiscal year 2017, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

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

DIRECTORS

Nominees for Election to the Board of Directors

The following tables provide information on the nominees. Included in these tables is information relating to the nominees' current membership on standing committees of the Board and other public company directorships held in the past five years. The profiles also show the present principal occupation and principal occupations held in the past five years, if different. In addition, the profiles show securities of Element held as of December 31, 2017 by each of the nominees, and these holdings as a multiple of their annual retainer. Certain other personal information is also included. In the tables, certain information, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Hon. Brian Tobin, P.C., O.C. – Chairman of the Board and Independent Director
Ottawa, Ontario, Canada | Director since 2015 | Age 63

The Hon. Brian Tobin is Chairman of Element's Board and Chair of the C&CG Committee. Mr. Tobin was first appointed to Element's Board in April 2015. Mr. Tobin was named as an Officer of the Order of Canada in 2013 for his contribution to Canadian public policy as a federal and provincial politician. He served as the Federal Minister of Industry from October 2000 to January 2002, prior to which he served as the Premier of Newfoundland and Labrador from 1996 to 2000. Mr. Tobin served as a Member of Parliament from 1980 to 1996 and served as Minister of Fisheries and Oceans in the federal cabinet from 1993 to 1996. Mr. Tobin is currently Vice Chair Investment & Corporate Banking at BMO Capital Markets, a North American financial services provider. Mr. Tobin serves as Chairman of New Flyer Industries Inc. and Chairman and Lead Director of Aecon Group Inc. Mr. Tobin also served as Executive Chairman, President & Chief Executive Officer of Consolidated Thompson Iron Mines Limited ("CLM"). Mr. Tobin lead the negotiating team that sold CLM to Cliffs Natural Resources Inc. for $4.9 billion which was one of the biggest global mining deals in 2011. Mr. Tobin has also served as a director of Aurvista Gold Corporation, Calvista Gold Corporation, Cline Mining Corporation, Marret Resources Inc., Lions Gate Entertainment Corp. and Canpages Inc. and was a trustee of Newport Partners Income Trust. Mr. Tobin is a member of the Institute of Corporate Directors and a graduate of the Directors Education Program. Mr. Tobin has been awarded honorary degrees by both St. Francis Xavier University and Brock University.

Board/Standing Committee Memberships/2017 Attendance:	Board (10/10 100%), C&CG (6/6 100%)
Public Board Memberships in last five (5) years:	Aecon Group Inc. (since 2005) and New Flyer Industries Inc. (since 2005)
2017 Compensation:	$299,541 (56% in DSUs)
2017 Annual Meeting (votes for):	86.38%

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Options (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	46,000	52,969	—	$940,206	2.98x
2016	46,000	42,984	—	$1,108,741	3.52x

Paul D. Damp – Independent Director

Toronto, Ontario, Canada | Director since 2016 | Age 62

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

Board/ Standing Committee Memberships/2017 Attendance:	Board (10/10 100%), Audit (6/6 100%)
Public Board Memberships in last five (5) years:	DH Corporation (until 2017)
2017 Compensation:	$200,000 (85% in DSUs)
2017 Annual Meeting (votes for):	84.21%

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Preferred Shares (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	15,000	32,265	5,000	$449,018	2.69x
2016	15,000	—	—	$186,900	1.12x

Joan Lamm-Tennant – Independent Director

Fairfield, Connecticut, U.S.A. | Director since 2014 | Age 65

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

Board/ Standing Committee Memberships/2017 Attendance:	Board (10/10 100%), C&CG (6/6 100%), Audit (6/6 100%)
Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2018)
2017 Compensation:	$270,751 (86% in DSUs)
2017 Annual Meeting (votes for):	85.94%

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Preferred Shares (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	30,277	90,982	2,000	$1,201,344	5.69x
2016	30,277	68,948	2,000	$1,285,843	6.09x

William Lovatt – Independent Director

Winnipeg, Manitoba, Canada | Director since 2014 | Age 64

Mr. Lovatt was appointed to Element's Board in December 2014 and previously served as Chairman of the board until completion of the Separation Transaction. Mr. Lovatt is the Chair of the C&R Committee and a member of the Audit Committee. Mr. Lovatt is also Chairman of the board of directors of ECN Capital Corp. He brings with him 40 years of investment and senior management expertise. Mr. Lovatt is one of Canada's most respected financial services executives having served as Executive Vice President and Chief Financial Officer of Great-West Lifeco Inc., Great-West Life Assurance Company, London Life Insurance Company and Canada Life Assurance Company. Mr. Lovatt joined Great West-Life in 1979 serving in various positions in the insurer's investments department prior to being appointed Chief Financial Officer. Mr. Lovatt served as a member of the Accounting Standards Oversight Council from 2000 to 2008 and in 2009, following the global financial crisis, was asked to serve the Canadian Government on the Department of Finance's Advisory Committee on Liquidity in the Financial Markets. Mr. Lovatt received his Bachelor of Commerce (Hons.) degree from the University of Saskatchewan in 1975, his Chartered Financial Analyst designation in 1983 and became a Fellow Certified General Accountant in 2003.

Board/ Standing Committee Memberships/2017 Attendance:	Board (10/10 100%), Audit (6/6 100%), C&R (4/4 100%)
Public Board Memberships in last five (5) years:	ECN Capital Corp. (since 2016)
2017 Compensation:	$385,781 (64% in DSUs)
2017 Annual Meeting (votes for):	84.30%

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Options (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	100,000	153,575	—	$2,408,963	12.88x
2016	100,000	128,628	—	$2,848,705	15.23x

Jay Forbes – Executive Director

Chester Basin, Nova Scotia, Canada | Director since 2018 | Age 57

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

Board/ Standing Committee Memberships/2017 Attendance:	N/A
Public Board Memberships in last five (5) years:	Manitoba Telecom Services Inc. (until 2017)
2017 Compensation:	N/A
2017 Annual Meeting (votes for):	N/A

Securities held at fiscal year end

Fiscal Year	Shares (#)[1]	DSUs (#)	Options (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	—	—	—	—	N/A
2016	—	—	—	—	N/A

(1) Mr. Forbes purchased 200,000 Common Shares in May 2018.

G. Keith Graham – Independent Director

Chatham, Ontario, Canada | Director since 2018 | Age 56

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

Board/ Standing Committee Memberships/2017 Attendance:	N/A
Public Board Memberships in last five (5) years:	B.E.S.T Total Return Fund, Inc. (since 2018) and Redknee Solutions Inc. (until 2017)
2017 Compensation:	N/A
2017 Annual Meeting (votes for):	N/A

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Options (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	—	—	—	—	N/A
2016	—	—	—	—	N/A

Rubin J. McDougal – Independent Director

Alpine, Utah, U.S.A. | Director since 2018 | Age 61

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

Board/ Standing Committee Memberships/2017 Attendance:	N/A
Public Board Memberships in last five (5) years:	Nil
2017 Compensation:	N/A
2017 Annual Meeting (votes for):	N/A

Securities held at fiscal year end

Fiscal Year	Shares (#)	DSUs (#)	Options (#)	Total Value of Securities	Multiple of 2018 Annual Retainer
2017	—	—	—	—	N/A
2016	—	—	—	—	N/A

Andrew Clarke – Independent Director Minneapolis, Minnesota, U.S.A. | New Nominee | Age 47		
	Andrew Clarke has over 20 years of experience in the transportation industry. Since 2015, Mr. Clarke has been 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. From 2007 to 2013, Mr. Clarke was the Chief Executive Officer of Panther Expedited Services, Inc. of Seville, Ohio, a premium logistics provider that focuses on the automotive, life sciences, governmental and manufacturing segments. From 2001 to 2006, Mr. Clarke served in various executive roles, including as Senior Vice President and Chief Financial Officer, at Forward Air Corporation, a NASDAQ-listed, diversified transportation services corporation. Mr. Clarke has been a director of several public companies, including Forward Air Corporation, Blount International Inc., where he served as Chairperson of the Audit Committee and a member of the Corporate Governance and Compensation Committee, and Pacer International, Inc., where he served as Chairman 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/2017 Attendance:	N/A
	Public Board Memberships in last five (5) years:	Blount International, Inc. (until 2016)
	2017 Compensation:	N/A
	2017 Annual Meeting (votes for):	N/A

Alexander D. Greene – Independent Director Armonk, New York, U.S.A. | New Nominee | Age 59		
	Alexander Greene has over 35 years of corporate finance and private equity experience. Mr. Greene is presently Chairman of the Board at Modular Space Holdings Inc., a provider of temporary and permanent modular buildings, where he has been a member of the board of directors since August 2016. He has been a director of Ambac Financial Group, Inc. since April 2015 and a director of USA Truck Inc., a publicly traded dry van truckload carrier, since May 2014. From 2005 to 2014, Mr. Greene served as a Managing Partner and Head of US Private Equity at Brookfield Asset Management Inc. ("Brookfield"), a global alternative asset manager. Prior to joining Brookfield, Mr. Greene was a Managing Director and Co-Head of Carlyle Strategic Partners, a private equity fund of The Carlyle Group, and a Managing Director at Wasserstein Perella where he served as an investment banker to large and mid-cap businesses, focusing on leveraged finance and recapitalization transactions. Mr. Greene is President of the Armonk Independent Fire Company and holds a bachelor's degree in Finance from The George Washington University.	
	Board/ Standing Committee Memberships/2017 Attendance:	N/A
	Public Board Memberships in last five (5) years:	Ambac Financial Group, Inc. (since 2015), USA Truck, Inc. (since 2014), Civeo Corporation (until 2015), CWC Energy Services Corp. (until 2014) and Overseas Shipholding Group, Inc. (until 2015)
	2017 Compensation:	N/A
	2017 Annual Meeting (votes for):	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:

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

- Alexander Greene was Chairman of the board of directors at Modular Space Holdings Inc. in December 2016 when it underwent a financial restructuring under Chapter 11 of the United States Bankruptcy Code, from which it emerged in March 2017.

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 Chairman of the Board (the "Chairman") following the applicable meeting of shareholders. A director who tenders 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 promptly 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 shall promptly 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 must 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. In making its recommendation to the Board, the C&CG Committee will consider, without limitation and among other things, the reasons why the votes were withheld, the skills and expertise of that director, the overall composition of the Board, including the skills and the expertise of the other directors and also whether accepting the resignation would cause Element to fail to meet any applicable securities laws and rules of any provincial securities commissions or stock exchange and whether the resignation of the director could result in the triggering of change in control or similar provisions under any contract by which Element is bound or any benefit plan of Element and, if so, the potential impact thereof. If a resignation is accepted, the Board may leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of Element's shareholders, reduce the size of the Board, or call a special meeting of the shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

Director Term Limits/Mandatory Retirement

The Board has actively considered the matters of term limits and mandatory retirement and will continue to do so. At this time, the Board feels that these types of policies would not be appropriate. In fact, the Board feels that its current rigorous self-evaluation process, combined with input from the Corporation's external third party governance firm, Global Governance Advisors, is a more effective and transparent manner to ensure directors continue to add value and remain strong contributors and that the current constitution of the Board reflects these 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, (i) Messrs. Hudson and Lovatt are also members of the board of directors of ECN Capital Corp., and (ii) Mr. Greene and Ms. Lamm-Tennant are also members of the board of directors of Ambac Financial Group, Inc. Mr. Hudson is not standing for re-election at the Meeting.

2017 Director Attendance

The attendance record for each individual director standing for re-election at this Meeting is set out in the director profiles above. At each Board and standing committee meeting, *in camera* sessions of the independent directors were held to permit members who are considered independent of management to meet without the presence of management.

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 2017.

Director Skills Assessment

The Board has constituted the C&CG Committee to annually conduct a self-assessment of the Board's performance, an assessment of Board members and its committees, with each committee assessing its members, and to recommend to the Board nominees for appointment of new directors to fill vacancies or meet additional needs of the Board. Through the Board evaluation process and ongoing monitoring of the needs of the Corporation, desired expertise and skill sets are identified and individuals that possess the required experience and skills are contacted by the Chair of the C&CG Committee. Prospective new director nominees are interviewed by the Chair of the C&CG Committee, the Chairman and the Vice-Chairman of the Board (the "Vice-Chairman") 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.

	Paul Damp	**Joan Lamm-Tennant**	**William Lovatt**	**Brian Tobin**	**Jay Forbes**	**Rubin McDougal**	**Keith Graham**	**Andrew Clarke**	**Alexander Greene**
Accounting	√	√	√	-	√	√	√	√	√
Financial Literacy	√	√	√	√	√	√	√	√	√
Corporate Finance / M&A	√	√	√	√	√	√	√	√	√
Executive Leadership	√	√	√	√	√	√	√	√	√
Economics/Business	√	√	√	√	√	√	√	√	√
Governance	√	√	√	√	√	√	√	√	√
Government/Regulatory	√	-	√	√	√	√	-	√	√
International Business	√	√	√	√	√	√	√	√	√
Risk Management	√	√	√	√	√	√	√	√	√
Strategic Planning	√	√	√	√	√	√	√	√	√
Other Board Experience	√	√	√	√	√	√	√	√	√
Human Resources/Compensation	-	√	√	√	√	-	√	√	√

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 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 director remuneration in Common Shares and/or deferred share units ("DSUs") based on the closing price of the Common Shares at the end of the most recently completed fiscal year. Each director is required to comply with this equity ownership requirement by no later than four years from the date of becoming a director. Until the minimum shareholding is 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. Directors are also required to receive a minimum of 50% of their annual retainer fee in DSUs. All directors are currently in compliance with the equity ownership policy.

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. Directors may elect to take the remainder of their annual retainer, in addition to chair retainer and committee fees and meeting fees, in the form of cash, DSUs or a combination of both.

Directors' Compensation

The C&CG Committee and the Board approved a reduced director compensation package for fiscal year 2017. After reviewing Element's share price performance in 2017, the C&CG Committee and the Board approved a further reduction in director compensation for 2018 to reflect the Board's commitment to aligning pay with performance:

Fee Description[(1)(2)]	2016 Amounts	2017 Amounts[(3)]	2018 Amounts[(4)]
Annual Board Chair Retainer	$625,000	$350,000	$280,000
Annual Board Vice-Chair Retainer	$325,000	$165,000	$132,000
Annual Board Retainer	$220,000	$165,000	$132,000
Committee Member Retainer	$30,000	$20,000	$20,000
Committee Chair Retainer	$50,000	$35,000	$35,000
Meeting Fee	nil	nil	nil

(1) 50% of the directors' compensation is payable in DSUs and directors 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. William Lovatt, Joan Lamm-Tennant and Rubin McDougal receive the equivalent amounts in US$.

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

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

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

The following table sets forth all amounts of compensation earned by non-executive directors of the Corporation for fiscal year 2017.

Name[(1)]	Cash fees earned ($)	Option-based awards ($)	Share-based awards[(2)] ($)	Total ($)
Paul Damp	$29,375	—	$170,623	$200,000
Steven Hudson	$102,500	—	$82,500	$185,000
Joan Lamm-Tennant	$39,983	—	$231,768	$270,751
William Lovatt[(3)]	$139,223	—	$246,558	$385,781
Brian Tobin[(3)(4)]	$133,135	—	$166,406	$299,541
Richard Venn[(3)(4)]	$130,239	—	$320,625	$449,864

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

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

(3) Messrs. Lovatt, Tobin and Venn were members of an *ad hoc* committee of the Board, which was established on September 20, 2017 to assess the Corporation's strategic alternatives. Messrs. Lovatt, Tobin and Venn each received $75,000 in cash compensation for their service as members of the *ad hoc* committee. The *ad hoc* committee was dissolved on February 4, 2018.

(4) In connection with the completion of the Separation Transaction, Richard Venn was appointed as Chairman of the Board on October 3, 2016. On September 21, 2017, Mr. Venn stepped down as Chairman and Brian Tobin was appointed Chairman of the Board.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based (DSU) awards outstanding as of December 31, 2017 for all non-executive directors of the Corporation. Effective January 1, 2014, the granting of Options to non-executive directors under the Option Plan was discontinued.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date[1]**	**Value of unexercised in-the-money options[2] ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards not paid out or distributed[3] ($)**
Steven Hudson[4]	400,000	3.18	May 18, 2019	$2,528,000	-	-	$4,926,524
	200,000	3.34	Dec 14, 2019	$1,232,000			
	1,275,000	6.40	Feb 22, 2021	$3,952,500			
	561,921	9.51	June 28, 2021	-			
	415,199	11.18	Dec 20, 2021	-			
	847,826	12.65	Feb 27, 2023	-			
Paul Damp	-	-	-	-	-	-	$306,518
Joan Lamm-Tennant	-	-	-	-	-	-	$864,330
William Lovatt	-	-	-	-	-	-	$1,458,963
Brian Tobin	-	-	-	-	-	-	$503,205
Richard Venn	-	-	-	-	-	-	$1,081,356

(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) was re-approved by shareholders on June 26, 2014 and on June 6, 2017.

(2) Represents the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2017 ($9.50).

(3) The market or payout value of DSUs that are payable after the director resigns from the Board and the noted amount is based on the closing price of the Common Shares on the TSX on December 31, 2017 ($9.50).

(4) Prior to completion of the Separation Transaction on October 3, 2016, Mr. Hudson was an executive officer of the Corporation. 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.

Value Vested or Earned During the Year

The table below sets out all Element Options and DSUs held by non-executive directors of the Corporation that vested or earned but have not been paid out as of December 31, 2017.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)(1)
Paul Damp	-	$170,625
Steven Hudson(2)	$423,914	$82,500
Joan Lamm-Tennant	-	$231,768
William Lovatt	-	$246,558
Brian Tobin	-	$166,406
Richard Venn	-	$320,625

(1) Share awards are the DSUs awarded in 2017. DSUs are paid out in cash only when the director retires from the Board.

(2) Prior to completion of the Separation Transaction, Mr. Hudson was an executive officer of the Corporation. 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.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

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

Board of Directors

The Board is currently comprised of nine directors: the Hon. Brian Tobin, William Lovatt, Joan Lamm-Tennant, Paul Damp, Jay Forbes, Rubin McDougal, Keith Graham, Steven Hudson and Richard Venn. Independent directors Rubin McDougal and Keith Graham, and Jay Forbes, Element's incoming Chief Executive Officer, were appointed to the Board on May 14, 2018. As detailed under "Matters to be Acted Upon – 2. Election of Directors", if the director nominees are elected at the Meeting, the Board will be comprised of nine directors, with new independent directors Andrew Clarke and Alexander Greene nominated for election. Steven Hudson and Richard Venn are not standing for re-election.

Alexander Greene was identified as a director candidate as part of the Board's normal course board refreshment process. The appointments of Mr. McDougal and Mr. Graham on May 14, 2018 were made pursuant to separate agreements (the "Nomination Agreements") entered into by the Corporation

with each of EdgePoint Wealth Management Inc., Lion Point Capital, LP and Ancora Advisors, LLC (which as of May 14, 2018, respectively owned approximately 4.3%, 4.6% and 2.5% of Element's issued and outstanding Common Shares) as a result of discussions with such shareholders regarding the composition of the Board. Under the terms of the Nomination Agreements, the Corporation has agreed to nominate Mr. McDougal, Mr. Graham and Mr. Clarke for election to the Board at the Meeting and, subject to certain conditions, at the Corporation's 2019 annual general meeting of shareholders. The Nomination Agreements contain customary standstill restrictions that terminate following the Corporation's 2019 annual general meeting.

The primary function of the Board is to supervise the management of the business and affairs of Element, and includes the responsibility for the strategic planning process, risk management, succession planning, approving and communicating a communications policy and disclosure policy, setting internal controls, corporate governance, senior management compensation and oversight, director compensation and assessment and approving material transactions and contracts. The Board is also responsible for reviewing the succession plans for Element, including appointing, training and monitoring senior management to ensure that the Board and management have appropriate skill 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:

- 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 primary mandate of the C&CG Committee with respect to compensation is to approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and to make recommendations with respect to the Chief Executive Officer's compensation based on its evaluation, to recommend compensation arrangements for the directors, committee members and chairs, and the Chairman, to administer and interpret the incentive compensation and equity compensation plans, and to approve the appointment, compensation and terms of employment for the Chief Financial Officer and senior management of Element. 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 and to advise the Board on enhancing Element's corporate governance through a continuing assessment of Element's approach to corporate governance.

- The primary mandate of the C&R Committee is to assist the Board in fulfilling its oversight responsibilities with regard to the major risks that are inherent in the Corporation's business activities, the Corporation's enterprise risk management framework, and to review and recommend to the Board proposed acquisitions and terms thereof.

From time to time, the Board may appoint *ad hoc* committees to assist it in specific matters. Where such *ad hoc* committees are established, the Board delegates a specific mandate to such *ad hoc* committee.

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.

The Board is currently comprised of nine members, a majority of whom are "independent directors" within the meaning of NI 58-101. The seven independent directors are Richard Venn, William Lovatt, Joan Lamm-Tennant, the Hon. Brian Tobin, Paul Damp, Rubin McDougal and Keith Graham. Mr. Forbes is not independent for the purposes of NI 58-101 because he is a member of management of Element and Mr. Hudson is not independent for the purposes of NI 58-101 as he was Chief Executive Officer of Element within the past three years. Messrs. Hudson and Venn are not standing for re-election at the Meeting.

If the proposed nominees are elected to the Board (see "Matters to be Acted Upon – 2. Election of Directors"), the Board will be comprised of nine members, consisting of eight independent directors as well as Mr. Forbes, who is not independent for the purposes of NI 58-101.

Independent Chairman

The roles of the Chairman and Chief Executive Officer are separate. The Chairman 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 Chairman sets out the Chairman'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 Chairman provides leadership to the directors and ensures the Board is independent from management. The Chairman and each committee can also engage outside consultants without consulting management. This helps ensure they receive independent advice as they feel necessary. In the absence of the Chairman, the Vice-Chairman will assume the responsibilities of the Chairman, and if the Chairman is at any time not independent, then the independent directors shall select from among their number a director who will act as "lead director" to act as the effective leader of the Board. The Corporation does not provide the Chairman 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 Chairman 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.

Succession planning

The C&CG Committee (with the advice of the Chairman and the Vice-Chairman) has primary oversight of succession planning for senior management, the performance assessment of the Chief Executive Officer, and the Chief Executive Officer's assessments of the other senior officers. The C&CG Committee conducts in-depth reviews of succession options relating to senior management positions and, when appropriate, approves the rotation of senior executives into new roles to broaden their responsibilities and experiences and deepen the pool of internal candidates for senior management positions.

An emergency succession plan and contingency plan has been adopted by the C&CG Committee and the Board that contemplates a scenario in which the Chief Executive Officer suddenly and unexpectedly is unable to perform his duties for an extended period.

The independent directors participate in the assessment of the Chief Executive Officer's performance every year. The board approves all appointments of executive officers.

In early 2018, the C&CG Committee's succession planning included reviewing processes to identify, develop and retain executive talent in connection with the retirement of Mr. Bradley Nullmeyer and the appointment of Mr. Daniel Jauernig as Acting Chief Executive Officer. The Board and its external advisors carried out a comprehensive CEO search that included the consideration of external and internal candidates, and resulted in the appointment of Jay Forbes as the Corporation's new Chief Executive Officer effective June 1, 2018.

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 Chairman, 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 Chairman and Vice-Chairman, chairs of each of the committees of the Board, and the Chief Executive Officer. The Board Mandate and the committee mandates for the Audit Committee, C&CG Committee and the C&R Committee set out in writing the responsibilities of the Board and the committees for supervising management of the Corporation.

Diversity

Board of Directors

The Board recognizes the benefits that diversity brings to the Corporation. The Board aims to be comprised of directors who have a range of perspectives, insights and views in relation to the issues affecting Element. This belief in diversity is reflected in a written Diversity Policy adopted by the Board. The Diversity Policy states that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, geographical representation, education, religion, ethnicity, race, nationality, culture, language, aboriginal or indigenous status and other ethnic distinctions, sexual orientation, political affiliation, family and marital status, age, disability, personal skills, industry and business experience and professional experience. Accordingly, consideration of whether the diverse attributes highlighted in Element's Diversity Policy are sufficiently represented on the Board is an important component of the selection process for new Board members.

The C&CG Committee has emphasized the Board's commitment to the recruitment of women by making the identification of candidates who are women a key search criterion in the director selection and nomination process. In order to promote the specific objective of gender diversity on the Board, the selection process for Board appointees and nominees for election ensures that appropriate efforts are made to include women in the list of candidates being considered for a Board position and, in any event,

that at least one woman is included in the short list of candidates being considered for a Board position. This resulted in the Board nominating its first female director in 2014. Following the annual meeting and assuming that all nominees for director are elected, one of nine directors (11%) on the Board will be a woman. The Board recognizes the value of the contribution of members with diverse characteristics and perspectives on the Board and is committed to ensuring that women, in particular, are represented on the Board. The Corporation aspires to a Board composition in which women comprise at least 30% of all independent directors of the Corporation by the Corporation's annual general meeting to be held in 2021.

Management

Element believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. Element recognizes the value of ensuring that the Corporation has leaders who are from diverse backgrounds. The Corporation prides itself on developing its employees internally and providing them with opportunities to advance their careers. To support the Corporation's senior management diversity objectives, the Chief Executive Officer, Chief Financial Officer and the C&CG Committee will, when considering, recommending and reviewing recommendations for the appointment of candidates for senior management positions:

- consider diversity criteria, including, but not limited to, the level of representation of women, when determining the optimum composition of senior management;
- consider and, if deemed necessary, implement policies to address impediments to diversity in the workplace;
- review potential candidates from a variety of backgrounds and perspectives, with the Corporation's diversity objectives in mind;
- regularly review the level of diversity at all levels of the Corporation;
- consider initiatives designed to identify, support and develop diverse employees with leadership potential;
- continue to identify new ways to entrench diversity, including gender diversity, as a cultural priority across the organization; and
- in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates to help achieve the Corporation's diversity objectives in relation to senior management.

With respect to gender diversity, Element is building a strategy and execution plan to work towards increasing the representation of women in leadership roles at all levels of the organization. One of the objectives of this initiative is to ensure that there are highly-qualified women within Element available to fill vacancies in executive officer and other leadership positions. The Corporation believes that the most effective way to achieve its goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within the Corporation and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to become effective leaders. Currently, three of seven members (42.9%) of the Corporation's executive officers are women. In order to promote the specific objective of gender diversity in senior management, Element is committed to:

- proactively identifying high-potential women for leadership training programs and encouraging them to apply for more senior roles;

- regularly reviewing the proportion (in percentage terms) of persons at all levels who are women;

- monitoring the effectiveness of, and continuing to expand on, existing initiatives designed to identify, support and develop talented women with senior management potential; and

- continuing to identify new ways to entrench diversity as a cultural priority across Element.

As of the date hereof, Element has not adopted a target for the number of women in executive officer or senior leadership positions as the Board has determined this would not necessarily result in the identification or selection of the best candidates. Element will, however, continue to evaluate the appropriateness of adopting targets in the future.

Annual Review

On an annual basis, (i) the C&CG Committee, along with the Chairman, Vice-Chairman and Lead Director, if applicable, will assess the effectiveness of the Board nomination process at achieving Element's diversity objectives and consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board and (ii) the Chief Executive Officer and the C&CG Committee, along with the Chairman, Vice-Chairman and Lead Director, if applicable, will assess the effectiveness of the senior management appointment process at achieving Element's diversity objectives and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management.

In order to ensure the effective implementation of the Diversity Policy, the C&CG Committee, along with the Chief Executive Officer, the Chairman, Vice-Chairman and Lead Director, if applicable, will review the following as part of its annual review of the Diversity Policy:

- the number of women considered or brought forward for Board and senior management positions;

- the skills, knowledge, experience and other characteristics of candidates for Board and senior management positions that are women to ensure that such candidates are being fairly considered relative to other candidates; and

- the number of women on the Board and in senior management positions and the proportion (in percentage terms) of persons on the Board and in senior management positions who are women.

At any given time, the Board may seek to adjust one or more objectives concerning Board and senior management diversity and measure progress accordingly.

Orientation and Continuing Education

As set out in the Board Mandate, Element has a policy of making a full initial orientation and continuing education process available to Board members. The Board is responsible for director orientation and continuing education. All new directors are provided with an initial 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 are given the opportunity to 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. Element's Board members have full access to Element's records.

The Corporation provides directors with ongoing continuous education programs through key business area presentations, business updates and operations site visits. In January 2017, members of the Board at such time attended a two-day educational retreat at Element's main office in Sparks, Maryland, which was led by management and focused on familiarizing the Board with Element's latest service offerings. In addition, Board members regularly participate in training exercises on Element's fleet management technology systems in order to better understand the customer experience.

Nomination of Directors

The C&CG Committee is responsible for recommending to the Board candidates for election as directors and candidates for appointment to Board committees as set out in the C&CG Committee Mandate. See "Compensation and Corporate Governance Committee". The Chairman is also responsible for consulting with the C&CG Committee regarding candidates for nomination or appointment to the Board.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code"), a written code of business conduct and ethics for the Corporation's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Board has established confidential reporting procedures 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 may be obtained by contacting Element and requesting a copy from its investor relations contact on Element's website at www.elementfleet.com or by mail at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

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

interest under the Code. The Board has delegated the communication of the Code to employees to management who are expected to encourage and promote a culture of ethical business conduct.

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

Board and Committee Assessment

The C&CG Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. The assessment includes two detailed annual questionnaires that each director must complete. The annual questionnaires cover a range of topics including: (i) individual self-assessment; (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. The Board's independent advisor, Global Governance Advisors ("GGA"), is engaged to review and analyze the completed questionnaires and provide to the C&CG Committee a presentation and a detailed written report of the responses to the questionnaire and an analysis of those responses. Additional feedback is often sought and received from directors. GGA attends at a meeting of the C&CG Committee to present their report, address any questions the C&CG Committee may have and make recommendations as appropriate. The written analysis from GGA, together with any issues or concerns raised by the questionnaire and during the meeting with the independent advisor, constitutes part of the report to the Board. The C&CG Committee presents the detailed report to the Board and makes recommendations to improve the effectiveness of the Board in light of the results of the annual performance evaluation.

Audit Committee

The Audit Committee is comprised of three directors of the Corporation, Paul Damp (Chair), William Lovatt and Joan Lamm-Tennant, each of whom is independent and financially literate for purposes of NI 52-110. Following the Meeting, it is expected that the Board will reconstitute the Audit Committee as: Paul Damp (Chair), William Lovatt and Andrew Clarke. The responsibilities and operation of the Audit Committee are set out in the Corporation's Audit Committee Charter, the text of which is included as Appendix A to the Corporation's Annual Information Form dated March 28, 2018, a copy of which is available on SEDAR at www.sedar.com. Please refer to the section entitled "Audit Committee" contained therein for further information.

Compensation and Corporate Governance Committee

The C&CG Committee is currently comprised of four directors, the Hon. Brian Tobin (Chair), Joan Lamm-Tennant, Richard Venn and Keith Graham, each of whom is considered to be "independent" as defined in NI 58-101. Mr. Venn is not standing for re-election at the Meeting. Following the Meeting, membership in the C&CG Committee will be reduced to three directors and it is expected that the Board will reconstitute the C&CG Committee as: Joan Lamm-Tennant (Chair), the Hon. Brian Tobin and Keith Graham. 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. Mr. Tobin, Ms. Lamm-Tennant, Mr. Venn and Mr. Graham have several years of direct experience with the design, implementation or oversight of compensation programs that is relevant to their responsibilities on the C&CG Committee and that they draw upon to make decisions on

the suitability of the Corporation's compensation policies and practices. Mr. Tobin is currently Vice Chair Investment & Corporate Banking, at BMO Capital Markets, and has served in numerous leadership roles in both the public and private sectors. Ms. Lamm-Tennant is the Chief Executive Officer of Blue Marble Microinsurance, a microinsurance venture incubator formed in January 2016. Mr. Venn is currently a Partner of Further Global Capital Management, and had a 40-year career with CIBC, where he led that bank's investment banking and merchant banking operations. In addition to several years as a senior executive who advised on compensation objectives, Mr. Graham was closely involved in compensation decisions during his tenure as a director of Redknee Solutions Inc.

To fulfill its responsibilities and duties in developing the Corporation's approach to compensation issues, the C&CG Committee shall:

(i) review and approve corporate goals and objectives relevant to Chief Executive Officer compensation;

(ii) evaluate the Chief Executive Officer's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the Chief Executive Officer's compensation level based on its evaluation;

(iii) review the recommendations to the C&CG Committee of the Chief Executive Officer respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other officers appointed by the Board and, if advisable, approve and recommend for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;

(iv) conduct in-depth reviews of succession options relating to senior management positions and, when appropriate, approve the rotation of senior executives into new roles to broaden their responsibilities;

(v) consider an emergency succession plan and contingency plan for the Corporation for the Chief Executive Officer for a scenario in which the Chief Executive Officer suddenly and unexpectedly was unable to perform his or her duties for an extended period;

(vi) administer and interpret the Corporation's share compensation agreements and its policies respecting the grant of options or other share-based compensation or the sale of shares thereunder, and review and recommend for approval of the Board the grant of options thereunder and the terms thereof;

(vii) review the Corporation's pension and retirement arrangements in light of the overall compensation policies and objectives of the Corporation;

(viii) review employment agreements between the Corporation and the Chief Executive Officer, and between the Corporation and executive officers, and amendments to the terms of such agreements shall be subject to review and recommendation by the C&CG Committee and approval by the Board;

(ix) review management's policies and practices respecting the Corporation's compliance with applicable legal prohibitions, disclosure requirements or other requirements on making or arranging for personal loans to senior officers or directors or amending or extending any such existing personal loans or arrangements;

(x) recommend to the Board for its approval the terms upon which directors shall be compensated, including the Chairman (if applicable) and those acting as committee chairs and committee members;

(xi) review on a periodic basis the terms of and experience with the Corporation's executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;

(xii) review executive compensation disclosure before the Corporation publicly discloses this information;

(xiii) submit a report to the Board on human resources matters at least annually; and

(xiv) prepare an annual report for inclusion in the Corporation's management information circular to shareholders respecting the process undertaken by the committee in its review of compensation issues and prepare a recommendation in respect of Chief Executive Officer compensation.

Further information regarding the activities and recommendations of the C&CG Committee is provided in "Executive Compensation - Compensation Discussion and Analysis" above.

As set out in the C&CG Committee Mandate, the C&CG Committee is responsible for, with respect to corporate governance, among other things:

(i) conduct a periodic review of the Corporation's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Committee shall review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or its committees;

(ii) review the disclosure in the Corporation's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance;

(iii) propose agenda items and content for submission to the Board related to corporate governance issues and provide periodic updates on recent developments in corporate governance to the Board;

(iv) conduct a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner;

(v) review annually the Board Mandate and the mandates for each committee of the Board, and where necessary, recommend changes to the Board. The Committee shall review and recommend the appropriate structure, size, composition, mandate and members for the committees, and recommend for Board approval the appointment of each to Board committees;

(vi) recommend procedures to ensure that the Board and each of its committees function independently of management;

(vii) monitor conflicts of interest (real or perceived) of both the Board and management in accordance with the Code of Business Conduct and Ethics, and other policies on conflicts of interest and ethics; and

(viii) recommend procedures to permit the Board to meet on a regular basis without management or non-independent directors.

As set out in the C&CG Committee Mandate, the C&CG Committee is responsible for, with respect to nomination, composition and qualifications of the Board, among other things:

(i) develop and update a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation, and report to the Board thereon at least annually;

(ii) undertake on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommend to the Board, if necessary, a reduction or increase in the size of the Board;

(iii) endeavour, in consultation with the Chair of the Board or lead director, to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties;

(iv) in consultation with the Chair of the Board or lead director, and the Chief Executive Officer, annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of shareholders; and

(v) in consultation with the Chair of the Board or lead director, annually or as required, recommend to the Board, the individual directors to serve on the various committees.

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

Credit & Risk Committee

The C&R Committee is currently comprised of four directors, William Lovatt (Chair), Richard Venn, Steven Hudson and Rubin McDougal. Each of Messrs. Lovatt, Venn and McDougal are considered to be "independent" under NI 58-101. Messrs. Hudson and Venn are not standing for re-election at the Meeting. Following the Meeting, membership in the C&R Committee will be reduced to three directors and it is expected that the Board will reconstitute the C&R Committee as: William Lovatt (Chair), Rubin McDougal and Alexander Greene. The C&R Committee is responsible for assisting the Board in fulfilling its oversight responsibilities with regard to the major risks that are inherent in the Corporation's business activities, the Corporation's enterprise risk management framework and reviewing and recommending to the Board proposed acquisitions and the terms thereof.

The responsibilities, powers and operation of the C&R Committee are set out in the C&R Committee Mandate. As set out in the C&R Committee Mandate, the C&R Committee is responsible for, among other things:

(i) reviewing annually the report from management identifying on an enterprise-wide basis current and emerging material risks confronting the Corporation in terms of gross risks, measures taken and controls being applied to mitigate risks and the net of residual risks faced and the Corporation's responses to trends affecting those exposures;

(ii) reviewing quarterly reports on a number of the identified material risks;

(iii) considering emerging industry and regulatory risks issues and their potential impact on the Corporation;

(iv) reviewing the Corporation's treasury, financial risk management and other material risk management policies as appropriate and necessary and, if considered appropriate and necessary, recommending such policies to the Board for approval;

(v) reviewing with management the conceptual framework for the assessment of material risks and the plans and policies to mitigate their impact on the Corporation;

(vi) reviewing annually and approving changes when appropriate and necessary to the policies implemented for the mitigation, management and control of risk, including risk appetite underwriting management, asset-liability risk management, capital risk, operational risk management, and mergers and acquisitions;

(vii) reviewing and considering with senior management the Corporation's risk capacity, risk taking philosophy and approach to determining an appropriate balance between risk and reward;

(viii) reviewing and evaluating the Corporation's current exposures to funding currency, interest rate and other market risks in relation to its capacity to bear risk, and the management of such risks;

(ix) reviewing and discussing with senior management the Corporation's significant financial and non-financial risk exposures, including market, credit, liquidity, operational, reputational, strategic, regulatory, and business risks, and the steps senior management has taken to mitigate, monitor and control such risk exposures;

(x) ensuring that those managing risk with the Corporation have adequate authority, independence and resources to perform their mandates;

(xi) ensuring that independent reviews of the risk management functions are conducted as needed;

(xii) reviewing the effectiveness of those managing risk in the Corporation and of the risk management functions annually;

(xiii) ensuring that management has established processes and an enterprise risk management framework and governance structure designed to identify, bring to the Board's and/or the C&R Committee's attention, and appropriately manage, monitor, control and report exposures to the major credit risks affecting the Corporation (including credit, market, funding, reputation, and operational risks);

(xiv) as appropriate, reviewing and recommending to the Board the contents of any of the Corporation's risk tolerance statements that define the amount of risk that the Corporation can take to achieve its strategic objectives (including quantitative and qualitative measures of risk related to credit, regulatory, reputation, capital and earnings volatility);

(xv) monitoring the performance and quality of the Corporation's credit portfolio through the review of measures of credit quality and trends and such other information as it deems appropriate, including non-performing assets, credit delinquencies, repossessed assets and charge-offs;

(xvi) reviewing and assessing the Corporation's risk grading methodology, allowance for loan loss and reserve policies

(xvii) reviewing management's evaluation of credit risk aspects of strategies or exposures to industry segments, countries, and key markets to ensure they are in keeping with overall credit risk tolerances;

(xviii) receiving and reviewing reports on selected credit risk topics as management or the C&R Committee deems appropriate from time to time;

(xix) reviewing at least annually and approving as required: (i) management's evaluation of the performance of risk rating systems; and (ii) risk appetite and risk-based capital requirements, and recommending the appropriate capital level for risk to the Board

(xx) at least annually, reviewing and approving the Corporation's investment, loan, liquidity, funding, cash management, liability and hedging strategies;

(xxi) monitoring the performance of the Corporation's funding, hedging and syndication activities;

(xxii) reviewing the Corporation's liquidity position and contingency plans and monitor internal and external factors and events that could have a bearing on such positions and plans;

(xxiii) monitoring interest rate risk for excessive risk exposure, reviewing interest rate risk sensitivity analyses and reports, and reviewing management's assessment of the adequacy of the Corporation's interest rate risk management information systems;

(xxiv) overseeing the administration and effectiveness of, and compliance with, the Corporation's credit policies through review of such processes, reports and other information as it deems appropriate;

(xxv) reviewing and assessing the adequacy of the Corporation's allowance for credit losses and periodically review the methodology used by management in computing the adequacy of reserves;

(xxvi) overseeing the continual re-evaluation of the Corporation's credit risk monitoring programs, processes and credit risks;

(xxvii) reviewing reports of significant issues prepared by the Corporation 's internal credit risk oversight functional groups and committees;

(xxviii) recommending to the Board the exposure limits and risk-taking authority to be delegated by the Board to the Chief Executive Officer;

(xxix) reviewing and, jointly with the C&CG Committee, recommending to the Board, the appointment or change of the CROs, as required; and annually assessing the effectiveness of the CROs and reviewing and approving his or her mandate;

(xxx) reviewing and approving annually the organizational structure and resources of the risk management function and assessing its effectiveness and confirming to the Board that sufficient and appropriate resources are being dedicated to risk management efforts;

(xxxi) receiving, jointly with the C&CG Committee of the Board, management's assessment of effectiveness of the design and operation of the Corporation's incentive compensation system;

(xxxii) reviewing the proposed material acquisitions of portfolios and businesses and the terms thereof;

(xxxiii) overseeing the due diligence process, reviewing conclusions and management proposal and recommending course of action to the Board;

(xxxiv) receiving and reviewing reports concerning the integration of acquisitions;

(xxxv) reviewing and advising on the risk impact of any strategic decision, as requested by the Board; and

(xxxvi) reviewing periodically the Corporation's business continuity and disaster recovery plans, training programs and threat analysis to ensure that the Corporation is adequately prepared to promptly recover any disrupted functions and information following a natural disaster, act of terrorism, systems interruption or other event that significantly interferes with the operations of the Corporation 's business as well as the adequacy of the measures adopted to protect the Corporation from hacking or other illicit invasion of its systems.

MESSAGE FROM THE CHAIRMAN ON EXECUTIVE COMPENSATION

Dear Fellow Shareholders,

On behalf of the Board and the Compensation and Corporate Governance Committee, I am pleased to share with you our approach to executive compensation, including the key steps we've taken in 2017 and early 2018 to further align executive pay with your interests as shareholders. It is of the utmost importance to us that Element's leadership team be incentivized to enhance shareholder value.

Since 2012, Element has completed a number of significant transactions that have created an industry-leading fleet management platform, with compelling new services for customers, and delivered sustained innovation and growth. More recently, Element has invested in, developed and made available to its customers the fleet management industry's most advanced technology platform. This undertaking has taken longer than was originally expected and involved integration challenges. This has led to a temporarily higher cost structure and a revenue growth trajectory below the Corporation's long-term potential. As a result, our share price underperformed our peer group in 2017.

As shareholders, Element's Board is disappointed by the current share price performance and understands your concerns. While we are taking proactive steps to improve share price performance, we are also taking steps to better align executive compensation with the long-term interests of our shareholders. Getting executive pay "right" is critical to our sustained growth.

We have dedicated a great deal of time and thought towards designing an executive compensation plan that attracts highly-skilled talent while at the same time providing Element's management team with the appropriate incentives to facilitate growth.

Our Compensation Philosophy

Element's executive compensation philosophy is based on a pay-for-performance structure that is designed to reward superior business performance and increase shareholder returns. By utilizing best-practices, seeking the advice of outside experts, and listening to our shareholders, the Board has developed a compensation program that encourages optimal resource allocation, financial and operational improvements, and business growth.

At the heart of our compensation philosophy are seven core principles which were adopted by the Board in fiscal year 2017:

1) Pay executives based on actual performance
2) Ensure the alignment of executive pay and the Corporation's best interests
3) Facilitate executive commitment, retention, and loyalty
4) Attract, retain, and motivate a highly-skilled executive team
5) Develop a balanced compensation approach through a mix of short and longer-term incentive based compensation structures
6) Ensure that the compensation program is fair, transparent and understandable
7) Ensure that compensation dollars are being used in an effective and efficient manner

Say-on-Pay and Shareholder Engagement

The Board welcomes and considers all constructive feedback received regarding executive compensation. At last year's annual and special meeting of shareholders held on June 6, 2017, the advisory say-on-pay resolution received the support of 75.94% of the votes cast at the Meeting. This result demonstrated that a significant number of shareholders agree that the Board's approach to assessing

executive compensation is consistent with their expectations. At the same time, we recognize the importance of remaining in step with our shareholders and understanding their expectations.

We have continued to seek and incorporate shareholder feedback in our compensation decisions for 2017 and have made additional enhancements for 2018. At this year's annual meeting of shareholders, we will again hold an advisory vote to approve our approach to executive compensation.

Element's Board has taken several steps to tie executive pay to performance:
✓ ***CEO and NEO Bonuses***: In 2017, our Chief Executive Officer did not receive a bonus while other named executive officers received bonuses significantly below their target.
✓ ***New CEO's Compensation***: Our new Chief Executive Officer will receive a lower base salary than his predecessor.
✓ ***NEO Base Salaries and Bonuses***: In 2018, there will be no increases to NEO base salaries or bonus targets.
✓ ***Long-Term Incentives***: In 2018, all NEOs will receive 50% of their long-term incentives in the form of performance share units (up from 33% in 2017).
✓ ***Director Compensation***: In 2018, for the second consecutive year, director compensation has been reduced.

2017 Performance and Pay Outcomes

Performance Scorecards

In 2017, to effectively tie pay to performance, the Board introduced a performance scorecard — consisting of both company-wide financial metrics and personalized management objectives — for each of our executives. The scores provide the basis for determining annual cash bonuses and other short-term incentives paid out to our executives. See "Compensation Discussion and Analysis – Short-Term Incentives – Annual Incentive" for further details.

We have also introduced a scorecard to determine a vesting multiplier for 2017 PSU grants. The scorecard includes absolute financial measures as well as a three-year relative shareholder return measure that compares Element's total shareholder return against the total shareholder return of Element's peer group over three years. This provides alignment between the executives' pay and the long-term performance of the Corporation. See "Compensation Discussion and Analysis – Longer-Term Incentives" for further details.

CEO and NEO Compensation

For 2017, the annual scorecard result for our former Chief Executive Officer Bradley Nullmeyer yielded a payout ratio of 43.6%. However, based on a review of performance metrics and having regard to the Corporation's share price performance in 2017, the Board determined that Mr. Nullmeyer would not receive a bonus for 2017.

Further representative of our pay-for-performance philosophy, Mr. Nullmeyer's 2017 total compensation (including annual base salary, actual bonuses and equity plan payouts) was approximately 28% less than his 2016 total compensation. Mr. Nullmeyer's 2016 total compensation was approximately 70% less than his 2015 total compensation.

Element's other named executive officers received cash bonuses that were significantly below target in 2017.

2018 and Beyond

For 2018, Element has determined not to increase executive base salaries or target bonus levels, so as to better align pay with Element's 2017 share performance. Element has also determined that no short-term supplemental incentives will be granted on a go-forward basis. We will evaluate these policies on an ongoing basis.

Further, in 2018, the Board has taken steps to heavily weight incentive compensation towards long-term performance. Also, a similar scorecard as was used in 2017 will apply to the 2018 PSU grants. The purpose of this long-term incentive is to reward executives for the achievement of the Corporation's strategic objectives, which are designed to maximize shareholder value.

Compensation of New CEO, Jay Forbes

The C&CG Committee designed a compensation package for our new Chief Executive Officer that the Committee believes is in-line with the market and our peers, and is consistent with our corporate strategy to focus on expense management and revenue growth. Pursuant to the terms of Mr. Forbes' employment agreement with Element, Mr. Forbes will receive an annual base salary of $800,000 per annum and he will be eligible to participate in the Corporation's short- and long-term incentive plans, with a STIP target of 100% of base salary and an LTIP target of 200% of base salary which LTIP award for 2018 will be comprised of at least 50% PSUs. Mr. Forbes will assume the position of Chief Executive Officer on June 1, 2018. In the interim, Mr. Forbes will serve on the Board and perform certain transition-related duties for the Corporation.

In connection with Mr. Forbes' hiring, the Board approved a one-time special equity award to Mr. Forbes which consisted of 2,500,000 performance-based options at an exercise price of $5.73, being the closing price of Common Shares on the TSX on May 15, 2018. One-third of the options will vest on each of the first three anniversaries of the date of grant, subject to Element meeting certain total shareholder return ("TSR") targets relative to the entities that comprise the TSX/S&P Composite Index, with:

- 100% of the options available to vest on a particular vesting date vest only if Element's TSR is in the 65th percentile (or above) relative to the TSX/S&P Composite Index.

- 20% of the options available to vest on a particular vesting date vest if Element's TSR is in the 35th percentile relative to the TSX/S&P Composite Index, and vesting is proportionate where Element's TSR falls between the 35th and 65th percentile relative to the TSX/S&P Composite Index.

- No options vest if Element's TSR is below the 35th percentile relative to the TSX/S&P Composite Index.

The C&CG Committee and the Board believe the performance-based options provide significant alignment between the interests of Element's shareholders and Mr. Forbes, as none of the awards will vest without significant relative stock price appreciation.

Director Compensation

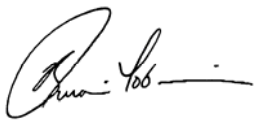
The C&CG Committee and the Board approved a reduced director compensation package for fiscal year 2017. After reviewing Element's share price performance in 2017, the C&CG Committee and the Board approved a further reduction in director compensation for 2018 to reflect the Board's commitment to aligning pay with performance.

Commitment to Our Shareholders

The C&CG Committee and the Board believe our compensation policies and programs are prudent and consistent with fundamental pay-for-performance principals.

In 2018, the Board will continue to engage with you, our 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 developing policies that produce strong results and enhance shareholder value.

Sincerely,



The Hon. Brian Tobin
Chairman of the Board
Chair of the Compensation and Corporate Governance Committee

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion describes the significant elements of the Corporation's executive compensation program, with particular emphasis on the process for determining compensation payable to the Corporation's named executive officers ("NEOs") for fiscal year 2017, being former Chief Executive Officer Bradley Nullmeyer, who retired from Element in 2018 and therefore served in the capacity of Chief Executive Officer for the entirety of fiscal year 2017, and executive officers Samir Zabaneh, Daniel Jauernig, Kristi Webb and Jim Halliday. The following also summarizes certain material changes the Corporation intends to adopt for its executive compensation program for fiscal year 2018.

In connection with the Separation Transaction in October 2016, the Board and the Corporation's management developed a compensation structure intended to "right size" compensation to the scale of the Corporation, while continuing to provide strong incentives for growth. This culminated in certain changes intended to bring 2017 compensation in line with conventional market terms. Such changes included:

(i) Salary reduction and total compensation packages tied to corporate performance, not acquisitions.

- 2017 total compensation paid to Mr. Nullmeyer was approximately 28% less than his 2016 total compensation, and his 2016 total compensation was approximately 70% less than his 2015 total compensation.

(ii) Short-term incentives based on an annual scorecard, as described further below.

- Based on a review of performance metrics and having regard to the Corporation's share price performance in 2017, the Board determined not to pay Mr. Nullmeyer any short-term incentive payout in 2017.

(iii) Longer-term incentives split among Options, PSUs and RSUs, with PSUs including a 3-year total shareholder return component.

- In 2017, the Corporation granted 33% of its longer-term incentives in the form of PSUs.

- In 2018, the Corporation will grant 50% of its longer-term incentives in PSUs.

2017 Compensation Overview

The components of compensation for 2017 for Element's senior executives consisted of base salary, short-term incentives and longer-term incentives. Short-term incentives were based on the results of each executive's scorecard, which is approved by the C&CG Committee annually and focuses on financial and other metrics, as well as management objectives, personal to each executive. Longer-term compensation is comprised of Options, PSUs and RSUs. The PSUs have defined multi-year objectives and are inclusive of a total shareholder return measure, as well as other appropriate operational measures.

Overall compensation for executive officers is evaluated and calculated based on a "total annual opportunity" and evaluated with reference to the executive officer's scorecard. The "total annual opportunity" is comprised of base salary, short-term incentives and long-term incentives, and will emphasize equity compensation components that vest based on time and tied to the long-term performance of the Corporation.

Approach to Compensation

Element values the entrepreneurial drive of its management team, and we structure executive compensation to maintain that spirit. The senior team members are not typical "employees for hire".

For fiscal year 2017, we adopted the following principles for determining compensation payable to our executives:

1. *Pay executives based on actual performance.*

A large component of pay is contingent on performance (based on scorecards approved by the Board, consisting of approximately 75% financial metrics and 25% Management by Objectives ("MBOs")) and provides upside opportunity to reward sustainable growth. Contingent amounts are provided for in the form of cash-based annual awards and longer-term incentive awards (cash and/or Common Share-based).

Fixed pay (base salary) accounts for a significant portion of the total compensation opportunity with potential increases made annually and tied to performance. It is used to compensate executives for fulfilling their day-to-day responsibilities.

Annual base salary increases and cash bonus awards are determined with reference to each individual's contributions and achievements throughout the year that helped drive company success with the intent of rewarding "high" performers more than "average" performers.

2. *Ensure alignment between executive pay and the Corporation's interests.*

Compensation growth is tied directly to bottom line annual growth (financial performance hurdles, such as earnings per share and revenue growth) and long-term shareholder value creation (deferred compensation). This ensures alignment between executive pay and the Corporation's interests without encouraging excessive risk-taking.

3. *Facilitate executive commitment, retention and loyalty.*

Executives should feel like they are leaving something on the table if they decide to leave the Corporation. Executives should be motivated and excited to pursue a long-term career at Element and grow the Corporation.

4. *Attract, retain and motivate a highly-skilled executive team.*

The total compensation opportunity should be competitive in the market and established by reference to similar positions at comparable companies.

5. *Take a balanced approach.*

Compensation pay mix is balanced over short, medium and long-term time horizons. Balance is accomplished through the mix of short and longer-term incentive compensation with different vesting periods.

6. *Ensure that the compensation program is fair, transparent and understandable.*

Base salary adjustments are provided at the beginning of the year.

Incentive awards are defensible and related to performance metrics that link to the Corporation's corporate strategy. Such performance metrics are clearly determined and communicated in collaboration with plan participants. They are designed to reward executives for their efforts and results.

Internal equity between similar-sized roles will be considered when making compensation decisions.

7. *Ensure that compensation dollars are being used in an effective and efficient manner.*

A large percentage of compensation opportunity is incentive based, limiting fixed cost. Incentive awards are strongly tied to corporate performance, thus ensuring payouts are affordable and appropriate.

We align pay with performance using a rigorous process. We strive to achieve superior performance relative to our industry (in the top quartile), and pay our executives accordingly. This motivates our executives, rewards our shareholders, and helps keep the focus on our long-term success.

Compensation Structure and Decision-Making Process

Our compensation process starts at the beginning of every year, when we assess and confirm our philosophy, program guidelines and structure. At the end of every 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 consultant.

At the beginning of the year

Review Structure

- We review our overall compensation philosophy and structure for NEOs and recommend any changes to the Board for approval.

Confirm Peer Group

- We review and confirm the peer group of companies we use to: (i) compare our compensation structure and levels, and (ii) assess our performance when making compensation decisions.

Establish Performance Measures and Grant Long-Term Incentives

- The C&CG Committee works with the Chief Executive Officer and the Chairman to develop performance measures and personalized scorecards that will be used to assess corporate performance and determine annual bonus payouts and PSU metrics for the NEOs, in connection with the detailed business plan approved by the Board. We monitor the Corporation's performance against these measures throughout the year.

- The Board, upon the recommendation of the C&CG Committee and the Chief Executive Officer, grants long-term incentives in the form of Options, RSUs and PSUs to NEOs in accordance with the above performance measures.

Assess Risk and Confirm Approach

- We review the overall incentive plan design and the selected performance measures to: (i) consider potential payouts under different scenarios, (ii) ensure a balanced approach to risk, and (iii) ensure our decision-making process, incentive plans and compensation governance do not give executives incentive to take excessive risks or make inappropriate decisions.

At the mid-year and end of each year

Review Performance

- We review corporate performance at mid-year and at the end of the year. The Board and/or the C&CG Committee assess the performance of the NEOs throughout the year, during specific business reviews and Board committee meetings.

- The Chief Executive Officer, in conjunction with the Chairman and the C&CG Committee, completes a review of each NEO's individual performance (other than his own) against corporate and personal objectives and against targets.

Look at Competitive Positioning

- The independent consultant prepares a comprehensive report that includes: (i) market salary forecasts, (ii) compensation levels of our peer group at the 25th, 50th, 75th and 90th percentiles, and (iii) a comparison of each NEO's compensation in the previous year against the market, to determine the executive's market position.

Review Past Compensation

- We review historical pay for performance for the NEOs for the previous three years.

Awards

- The Chief Executive Officer reviews proposed compensation for each NEO against their scorecard and performance, recommends their annual bonuses, and considers the following year's equity grants and base salary.

- The C&CG Committee reviews each NEO's annual performance, scorecard, competitive positioning, past compensation and the recommendations from the Chief Executive Officer, and discusses total compensation based on performance, market practice and board-approved compensation philosophy, consulting with our independent consultant.

- The C&CG Committee then recommends compensation for the Chief Executive Officer and other NEOs for final approval by the Board.

The C&CG Committee and Board believe the above process is holistic in providing a great amount of market intelligence and data to the C&CG Committee, while providing multiple opportunities for the C&CG Committee and Board to review compensation levels and corresponding performance to ensure the approach and awards remain appropriate and defensible. The Board has in the past waived year-end incentive awards based on its review of compensation levels, in conjunction with both internal and external market conditions, as well as the Corporation's Common Share trading price performance.

Use of Independent Compensation Consultants

The C&CG Committee reviews NEO compensation packages annually to ensure that NEOs are being compensated in line with industry practices. To assist in executing its responsibilities, the C&CG Committee engages independent compensation advisors.

Since late 2011, the C&CG Committee has engaged GGA, an independent compensation advisor with significant executive compensation experience. GGA is independent of management, highly qualified and represents the interests of shareholders when working for the C&CG Committee and the Board. During this period, GGA has helped the C&CG Committee by (i) providing compensation research and data, and education on emerging trends and best practices, (ii) providing performance management planning, (iii) reviewing and designing incentive plans, and (iv) conducting comprehensive compensation reviews of the compensation levels for Element's directors and officers (including an in-depth market analysis of compensation levels and designs of organizations that operate within a comparable sector and are of a similar scale to Element). All work conducted by GGA is pre-approved by the C&CG Committee and GGA does not provide any non-Board approved services to the organization. The C&CG Committee takes GGA's reports and recommendations into consideration when assessing

compensation structure and awards, but ultimately makes its own decisions and recommendations for the Board to approve.

GGA's fees incurred in the last two completed fiscal years are as follows:

Fiscal year	Executive Compensation-Related Fees	All Other Fees
2017	US$129,253	$0
2016	US$80,869	$0

Specifically, during 2016, GGA was retained to provide the C&CG Committee with advice and recommendations related to executive and director compensation programs for fiscal year 2016, as well as recommendations for compensation practices of the Corporation following the Separation Transaction.

In 2017, GGA conducted a comprehensive market review and update of the benchmarking compensation and comparator peer group, and provided recommendations for strengthening the Corporation's overall executive compensation program on a go-forward basis, including with respect to appropriate adjustments to further align pay with performance. GGA continues to perform this type of work for the Corporation.

Benchmarking Compensation and Comparator Peer Group

Due to the complexity associated with Element and the much larger size associated with several of the appropriate comparators for recruitment purposes, GGA recommended a holistic approach be taken pertaining to the formation of the peer group for compensation benchmarking purposes.

The market for talent for Element's NEOs is largely North American as Element historically was equally likely to recruit executives from Canadian or U.S. companies. As the Corporation has grown, it has become more U.S.-centric, thus impacting the recruitment and comparative needs, respectively.

The availability of experienced senior executive leaders with specific sector experience of the depth and calibre of Element's executive team is limited. The deep entrepreneurial status of the executive team adds significant rarity, which limits "comparable" data availability. For this reason, U.S. and Canadian companies are included in the benchmark group. The Board recognizes that there are few publicly traded companies that are directly comparable to Element's scope of operations and thus the formation of the peer group takes into account the following items:

(i) Element's scope of operations;
(ii) companies that compete within the same industry;
(iii) companies of similar size and/or complexity;
(iv) companies that have comparable financial characteristics that investors view similarly;
(v) companies that may be subject to similar external factors; and
(vi) geographical scope (North American).

For fiscal year 2017, the Corporation's peer group consists of twelve publicly-traded companies, with four traded on the TSX, six traded on the New York Stock Exchange ("NYSE") and two traded on the NASDAQ Global Select Market ("NasdaqGS"), all of which are of comparable size to Element, operate in a similar geographical location (primarily North America) and have a strong focus on the financial sector. The 2017 peer group is composed of the following companies:

Compensation Benchmarking and Performance Peer Group		
Canadian Western Bank (TSX)	Genworth MI Canada Inc. (TSX)	Euronet Worldwide (NasdaqGS)
Fleetcor Technologies (NYSE)	GATX Corp. (NYSE)	Global Payments (NYSE)
Home Capital Group (TSX)	IGM Financial (TSX)	Jack Henry & Associates (NasdaqGS)
Ryder Systems (NYSE)	Square Inc. (NYSE)	Wex Inc. (NYSE)

General market compensation survey data is also incorporated within the benchmarking process to provide an added perspective. The survey data is used to complement the custom industry-specific analysis of the peer group. General financial industry compensation data provides an overview of compensation levels in the marketplace utilizing companies based on comparable size to Element. Each of these components contributes to a competitive benchmarking analysis of NEO compensation at Element. For fiscal year 2017, the C&CG Committee used the peer group and survey data as one input in setting appropriate compensation, but did not believe it was appropriate to target a specific percentile within the peer group, given the transitional stage of Element's business.

The C&CG Committee annually reviews the approach to compensation benchmarking for the NEOs and makes any necessary adjustments to the peer group in order to ensure proper alignment. Following the Separation Transaction, the C&CG Committee retained GGA to conduct a comprehensive market review and update the benchmarking compensation and peer group for fiscal year 2017, reflecting the Corporation's shift in size and focus. For the fiscal year 2017 peer group, the Corporation replaced DH Corp. with Genworth MI Canada Inc., as DH Corp. was acquired by Vista Equity Partners in June, 2017.

Compensation Components

The executive compensation plan includes short-term and long-term compensation, and a benefits and perquisites package. There are no pension or other retirement plans at Element.

The following table explains the compensation changes that we adopted for fiscal year 2017. We assess each component separately, and together these are considered total compensation. Short-term compensation (consisting of base salary and cash bonuses) and long-term compensation together make up each executive's total direct compensation. We have also highlighted certain amendments implemented for fiscal year 2018 in our executive compensation program.

Component	Objective/Rationale
(A) Short-term Compensation	• Awarded based on performance, the executive's position in the company and relative to our peer group.
(i) Base Salary	• Forms the basis for attracting talent, and comparing to and remaining competitive with the market. • Fixed, and used to determine other elements of compensation and benefits.

	• Established at the beginning of the year taking into account the recommendations of our independent consultant.
	Changes for 2018 • The Corporation has determined not to increase executive base salaries in 2018 in light of the Corporation's 2017 performance.
(ii) Annual Cash Bonus (STIP)	• Links pay to individual and corporate achievements. • Variable and paid in cash following year-end results based on annual performance. Bonuses are not paid unless a threshold level of performance is achieved, with performance benchmarks being specified in detailed scorecards for each NEO that contain metrics and weightings that align to the business and reflect the recommendations of GGA. • Scorecards consist of approximately 75% financial metrics and 25% MBOs. Each executive is measured by the same financial metrics, and MBOs are personalized on an executive-by-executive basis. • The target award of between 100% and 125% of base salary (depending on the NEO) is associated with expected annual performance results and a median payout opportunity, with an upside opportunity that is awarded in conjunction with superior results (up to two times the target award). • Capped at 200% of target STIP opportunity.
	Changes for 2018 • The Corporation has determined not to increase target bonus levels in 2018 in light of the Corporation's 2017 performance. • The Corporation intends to move to a target award of up to 100% of base salary for NEOs (including the CEO).
(B) Long-term Compensation (LTIP)	• The Corporation granted long-term incentives 1/3rd in PSUs, 1/3rd in Options and 1/3rd in RSUs. • Total long-term incentive grant values were targeted between 100% and 300% of base salary depending on the NEO. • PSUs are based on an annual scorecard with performance measures, including a 3-year total shareholder return component that is reviewed and approved annually by the C&CG Committee.
	Changes for 2018 • The Corporation will grant 50% of long-term incentives in PSUs. • Total long-term incentive grant values will be targeted between 100%

	and 200% of base salary depending on the NEO.
(C) Other Compensation	• Participation in Element's comprehensive group benefit plan and a taxable cash allowance for specific perquisites is provided to each NEO. • There is no pension or other retirement plan for the NEOs. • Awarded based on the executive's position in the company and relative to our peers. • Designed to be competitive overall with equivalent positions, to promote greater executive satisfaction through choice, and to manage program and administrative costs.

Base Salary

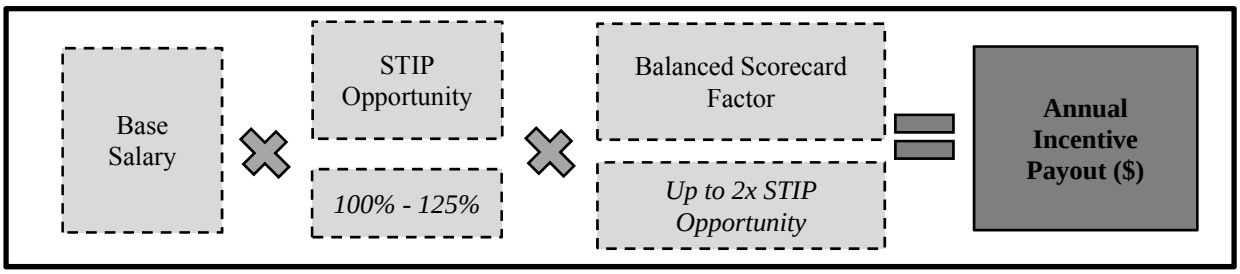
Base salaries are intended to provide Element's NEOs with competitive base salaries. See "– Compensation Philosophy". Element will differentiate salary levels to reflect a NEO's performance, experience and responsibilities. Base salaries are reviewed annually and adjusted for merit reasons and in response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

The Corporation has determined not to increase executive base salaries in 2018 in order to align pay with the Corporation's 2017 share price performance.

Short-Term Incentives – Annual Incentive

An annual performance bonus is a short-term component of compensation. Annual performance bonus payments are linked to the performance of Element and the NEOs contribution to that performance, as well as personal performance of individual NEOs. This component was targeted at 100% to 125% of base salary. The plan ties compensation directly to achievement of annual financial and operational goals. The bonus plans for the NEOs include (i) financial objectives, (ii) key priorities, and (iii) individual objectives. The Committee annually approves the objectives for the upcoming year. The performance objectives for the Chief Executive Officer are approved by the Committee, while the Chief Executive Officer approves the objectives and bonuses for the remainder of the NEOs in consultation with each NEO.

Beginning in fiscal year 2017, an annual scorecard was adopted for each executive. Scorecards consist of approximately 75% financial metrics and 25% MBOs. Each executive is measured by the same financial metrics, and MBOs are personalized on an executive-by-executive basis. The target award is associated with expected annual performance results and a median payout opportunity, with an upside opportunity that is awarded in conjunction with superior results (up to two times target). The component is capped at 200% of the target STIP opportunity.



The Chief Executive Officer's annual scorecard for 2017 is below. The annual scorecards associated with other NEOs are based off this scorecard, with MBOs that are personalized on an executive-by-executive basis.

		Performance Measures	Weighting	Payout Opportunity		Performance targets			Evaluation		
						Threshold (50% Payout)	Target (100% Payout)	Superior (200% Payout)	Result	Score	Payout
ANNUAL	Financial (75%)	Core Earnings Per Share (EPS)	68.9%	51.7%	Below Threshold Performance equals 0% payout	$0.69	$0.73	$0.77	$0.71	75/100	38.7%
		Non-Core Earnings Per Share (EPS)	31.1%	23.3%		$0.31	$0.33	$0.35	$0.15	0/100	0.0%
	MBOs 25%	Manage Stakeholder Key Issues	35%	8.75%			Build and strengthen relationships with government, regulatory bodies and all other key stakeholders, employees, the Board and the business community.		20%		1.8%
		Retention of Customers and Talent	35%	8.75%			No regrettable loss of Global Talent or Customers		10%		0.9%
		Succession Plan	30%	7.50%			Builds a strong Leadership Team and develop appropriate Succession Plans		30%		2.3%
		Payout Opportunity		100%		50%	100%	200%	Total		*43.6%*

The C&CG Committee and the Board determined that, while the Chief Executive Officer's 2017 annual scorecard result yields a payout ratio of 43.6% of target award, such a payout was not justified given a review of performance metrics and having regard to the Corporation's share price performance in 2017. As a result, the Board determined not to pay any bonus to Mr. Nullmeyer for 2017.

All other NEOs received a similar score to that of the Chief Executive Officer, such that each NEO would have received a payout ratio of approximately 40% of target award. However, downward discretion was also applied to each of the other NEOs such that their payout also took into consideration the Corporation's share price performance. This downward discretion reflects the Board's commitment to pay-for-performance, and better aligns executive compensation with the interests of shareholders.

Short-Term Incentives – Supplemental Incentives

In fiscal year 2017, the Corporation did not grant any supplemental incentives. Under a supplemental incentive, the NEOs would expect to receive additional non-equity incentive compensation or longer-term incentives. The C&CG Committee and the Board have determined that only in highly unique circumstances will supplemental incentives be granted on a go-forward basis.

Longer-Term Incentives (Options, RSUs and PSUs)

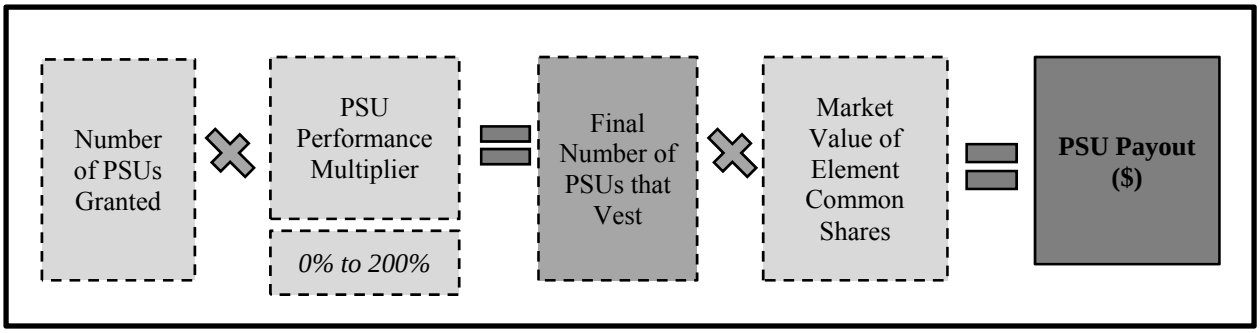
Longer-term incentives are intended to provide ties between executive compensation and performance of the Corporation. These incentives also strengthen retention and reinforce alignment with shareholder value. Options, RSUs and/or PSUs are granted annually to executives based on level,

individual performance, potential and market competitiveness. As these incentives comprise the majority of a senior executive's total compensation, target award levels are benchmarked annually to ensure competitiveness with the external market.

PSUs and RSUs are phantom shares that fluctuate with the price of 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. Please see "Longer-Term Incentive Plans – Longer-Term Incentive Plan Descriptions – PSUs and RSUs (Cash Settled)" for a detailed description of Element's PSU and RSU plan.

In 2017, executives were awarded a grant mix of 1/3rd PSUs, 1/3rd RSUs and 1/3rd Options. In 2018, executives will be awarded a grant mix consisting of 50% PSUs and a blend of RSUs and Options, so as to further align Element's long-term incentive plan with measurable performance metrics.

PSUs are linked to a scorecard approved by the C&CG Committee, and PSU performance measures are tied to relevant financial metrics and a three-year relative shareholder return measure that compares Element's total shareholder return against the total shareholder return of Element's peer group over three years. The PSU performance multiplier under the plan design may range from 0% to 200% depending on actual performance. The PSU payout will be zero if performance is below the minimum threshold.



The Chief Executive Officer's 2017 PSU scorecard is below. The 2017 PSU scorecards associated with other NEOs are based off this scorecard. Performance results, score and payout are determined following the performance period.

3 YEAR FINANCIAL	Performance Measures	Weighting	Below Threshold Performance equals 0% payout	Performance targets		
				Threshold (50% Payout)	Target (100% Payout)	Superior (200% Payout)
	Core Earnings Per Share (EPS)	69%		$0.69	$0.73	$0.77
				34%	69%	138%
	Non-Core Earnings Per Share (EPS)	31%		$0.31	$0.33	$0.35
				16%	31%	62%
				50%	100%	200%

3 Year Relative TSR	Performance Measures	Weighting	Below Threshold Performance equals 0% payout	3-Year Relative TSR Component (2017 through 2019)		
				Threshold (25% Payout)	Target (100% Payout)	Superior (200% Payout)
	3-Year Relative TSR	100%		40th percentile	65th percentile of peer group	95th Percentile
				25%	100%	200%

After three years, the PSUs may vest, with 75% of the value depending on the achievement of "threshold", "target" or "superior" financial performance measures and MBO performance measures, and 25% of the value depending on the achievement of "threshold", "target" or "superior" performance of the Corporation's relative total shareholder return. Relative total shareholder return is determined by comparing the Corporation's share price performance over the applicable three-year period against the applicable three-year share price performance of the Corporation's twelve-entity performance peer group outlined in this Circular.

No payout will be made if performance is below threshold. Furthermore, if the absolute total shareholder return is negative, the vesting of PSUs shall not exceed the target level.

Once the three-year performance period lapses for the PSUs, the scorecard results and vesting details of PSUs will be provided to the NEO and discussed.

Say-on-Pay

The Board determined to continue to provide an advisory "say-on-pay" vote for shareholders in respect of 2017 executive compensation. The Board believes that shareholders should be guided by the previously described compensation plans, the changes implemented in 2017 following the Separation Transaction, and the changes implemented for 2018 when considering how a shareholder should vote on the say-on-pay resolution. The Board believes that the reduced 2016 compensation levels, together with the new compensation system adopted for 2017 and the further improvements to be made in 2018, will be viewed positively by shareholders.

Institutional Shareholder Services Inc. ("ISS") and Glass Lewis & Co., LLC ("Glass Lewis") issued proxy advisory reports on Element in connection with Element's 2017 annual meeting of shareholders, which included their review of the Corporation's 2016 executive compensation components. Both proxy advisory firms recommended voting FOR Element's say-on-pay vote (the final vote at the 2017 annual general meeting was 75.94% in favour) and highlighted how Element maintains a well-designed executive compensation program and has adopted several market best practices, including introducing a PSU plan to tie longer-term incentives to performance-based vesting conditions, a

recoupment policy and ownership guidelines. Element has taken various steps over the last year to address ISS and Glass Lewis' certain minor outstanding concerns notwithstanding the favourable recommendations, including by enhancing disclosure around its short-term incentive and PSU scorecard metrics, and deciding to grant 50% of long-term incentives in PSUs going forward.

Additional Benefit Plans

Pension Plan Benefits

As at December 31, 2017, Element did not have a pension plan or any other plan that provides payment or benefits at, following or in connection with retirement.

Perquisites

The NEOs are entitled to participate in all employee benefit plans offered by Element to its employees, including Element's comprehensive group benefit plan administered by Manulife Financial.

Risk Assessment of Compensation Programs

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.

Equity Ownership Requirements

In respect of the executives, the Corporation has adopted a formal equity ownership policy to ensure that senior executives of the Corporation acquire and hold a meaningful equity ownership interest in the Corporation. Executives governed by the policy include the NEOs and such other executives as designated by the C&CG Committee. Under the policy, each executive shall attain and maintain the following equity ownership levels in the Corporation:

Position	Multiple of Base Salary
CEO	3.0x
President	2.0x
CFO and COO	2.0x
Other senior executives	2.0x

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. When calculating the value of any Common Share held, the share price to be used will be the greater of the original cost and the volume weighted market price for the Common Shares for the five trading days

preceding the measurement date. Vested DSUs, PSUs and RSUs are counted towards satisfying the minimum holdings set out above.

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 as well as any vested long-term incentive plan units or options, and (ii) automatically have 50% of their annual incentive compensation paid in Common Shares or units until such executive is in compliance with their ownership requirements.

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

NEO	Total Value of Securities (Common Shares/DSUs/PSUs/RSUs)(1)
Daniel Jauernig, *Acting Chief Executive Officer*	$2,249,315
Samir Zabaneh, *Chief Financial Officer*	$879,187
Kristi Webb, *President and Chief Executive Officer of Element Fleet Management North America*	$1,066,109
Jim Halliday, *President and Chief Executive Officer of Element Fleet Management International*	$1,633,516
Bradley Nullmeyer, *Former Chief Executive Officer*	$19,906,386

(1) Represents total number of Common Shares, DSUs, PSUs and RSUs held by the NEO as at December 31, 2017. The market value of Common Shares, DSUs, PSUs and RSUs is based on the closing price of the Common Shares on the TSX on December 31, 2017 ($9.50).

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. Misconduct is characterized as gross negligence, intentional misconduct, fraud or other misconduct or wilful act engaged in by the applicable executive which resulted in the financial restatement by the Corporation.

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.

Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2017 for Element's last three completed fiscal years.

Name and principal position	Fiscal Year	Salary ($)[1]	Share-based awards ($)[2]	Option-based awards ($)[3]	Non-equity incentive plan compensation ($)		All other compensation ($)[5]	Total compensation ($)
					Annual incentive plans[4]	Longer-term incentive plans		
Daniel Jauernig,[6]	2017	722,000	962,667	481,333	288,800	—	—	2,454,800
Acting Chief Executive Officer	2016	705,000	881,249	881,249	745,538	—	—	3,213,036
	2015	705,000	4,787,995	1,213,050	1,197,000	—	—	7,903,045
Samir Zabaneh,[7]	2017	610,978	625,000	312,500	250,000	—	—	1,812,500
Chief Financial Officer	2016	—	—	—	—	—	—	—
	2015	—	—	—	—	—	—	—
Kristi Webb,[8]	2017	686,212	715,500	357,750	274,485	—	—	2,033,950
President and Chief Executive Officer of Element Fleet Management North America	2016	702,578	715,504	715,504	713,711	—	1,236,657	4,083,954
	2015	233,606	999,995	968,155	517,460	—	—	2,719,216
Jim Halliday,[9]	2017	595,581	621,011	310,500	238,232	—	—	1,765,324
President and Chief Executive Officer of Element Fleet Management International	2016	563,388	573,753	573,753	765,956	—	90,383	2,567,233
	2015	557,073	—	1,193,544	634,067	—	174,380	2,559,064
Bradley Nullmeyer,[10]	2017	875,000	1,750,000	875,000	0	—	—	3,500,000
Former Chief Executive Officer	2016	1,089,000	1,361,249	1,361,249	1,020,938	—	—	4,832,436
	2015	990,000	7,219,999	3,516,087	4,454,000	—	—	16,180,086

(1) Other than Samir Zabaneh, who joined the Corporation on January 9, 2017, each of the NEOs amended and restated their employment agreements effective as of January 1, 2017, pursuant to which such NEO's base salary was adjusted in response to the reduced size of the Corporation and/or the change in responsibilities of each such NEO following the completion of the Separation Transaction on October 3, 2016. As a result of such arrangements, Mr. Nullmeyer's base salary for 2017 was $875,000, Mr. Jauernig's base salary for 2017 was $722,000, Ms. Webb's base salary for 2017 was $686,212 and Mr. Halliday's base salary for 2017 was $595,581.

(2) 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 RSUs under the Unit Plan, in which the number of 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).

(3) The Corporation determines the grant date fair values using the Black-Scholes option valuation model at the time it allocates long-term compensation for each executive. The Black-Scholes option valuation model takes into account an option's exercise price, its expected life, a risk-free interest rate and the expected volatility. For fiscal year 2017, the grant date fair values were determined based on a Black-Scholes option value of $3.07 (assuming a 7 year term, a risk free rate of 1.42%, 28.88% volatility, and an expected annual dividend of $0.30).

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

(5) During 2017, 2016 and 2015, 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, with the exception of: (a) Ms. Webb, who received in 2016 a relocation allowance of USD$846,760 and a pension make-whole payment of USD$62,690, and (b) Mr. Halliday, who received a retention payment of $264,763 paid from 2015 to 2016.

(6) Mr. Jauernig was appointed Acting Chief Executive Officer of the Corporation on February 5, 2018. Mr. Jauernig was hired as the Corporation's Chief Operating Officer on November 17, 2014 and was promoted to President and Chief Operating Officer of the Corporation on October 3, 2016 following completion of the Separation Transaction.

(7) Mr. Zabaneh was appointed CFO of the Corporation on January 9, 2017.

(8) Ms. Webb was hired as the Corporation's President and Chief Executive Officer, Fleet Management on August 31, 2015. Ms. Webb was promoted to President and Chief Executive Officer of Element Fleet Management North America on October 3, 2016 following completion of the Separation Transaction.

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

(10) Mr. Nullmeyer retired from his position as Chief Executive Officer of the Corporation effective February 5, 2018. Mr. Nullmeyer is included in this Summary Compensation Table as required by applicable securities laws as he was Chief Executive Officer of the Corporation during fiscal year 2017.

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) outstanding as of December 31, 2017.

Option-based Awards					Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date[1]**	**Value of unexercised in-the-money options[2] ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards not paid out or distributed[3] ($)**
Daniel Jauernig	500,000	11.03	Nov 17, 2022	0	119,601	$1,136,209	-
	247,500	12.65	Feb 27, 2023	0			
	248,239	12.62	Dec 19, 2024	0			
Samir Zabaneh	176,000	12.62	Dec 19, 2024	0	80,485	$764,607	-
Kristi Webb	166,667	14.31	Sept 30, 2023	0	92,153	$875,454	-
	201,549	12.62	Dec 19, 2024	0			
Jim Halliday	250,000	11.78	Aug 15, 2022	0	77,438	$735,660	-
	125,000	12.65	Feb 27, 2023	0			
	100,000	14.31	Sept 30, 2023	0			
	161,620	12.62	Dec 19, 2024	0			
Bradley Nullmeyer	600,000	4.58	Sept 4, 2020	$2,952,000	204,454	$1,942,317	$3,823,695
	450,000	6.40	Feb 22, 2021	$1,395,000			
	401,372	9.51	June 28, 2021	0			
	353,915	11.18	Dec 20, 2021	0			
	717,391	12.65	Feb 27, 2023	0			
	383,451	12.62	Dec 19, 2024	0			

(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.

(2) Represents the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2017 ($9.50).

(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, 2017, which was $9.50 per Common Share. Mr. Nullmeyer received DSUs in 2012 and 2013. DSUs are no longer granted to NEOs.

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 2017.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Daniel Jauernig	$123,750	$1,708,086	$288,800
Samir Zabaneh	-	$169,494	$250,000
Kristi Webb	—	$1,114,532	$274,485
Jim Halliday	$62,501	$155,644	$238,232
Bradley Nullmeyer	$358,695	$2,419,098	-

Equity Compensation Plan Information

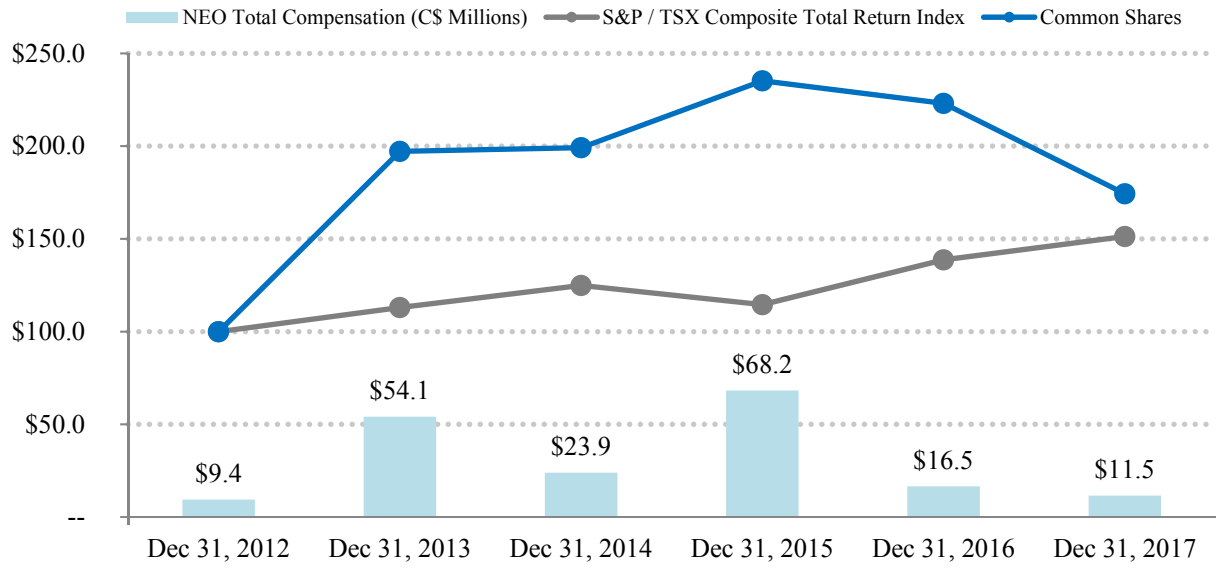
The following table sets out the number of Common Shares issuable pursuant to the Option Plan, and the weighted-average exercise price of the outstanding Options.

Plan Category	Number of Securities to be Issued upon Exercise of Options (as at December 31, 2017)	Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2017)	Number of Securities Remaining Available for Future Issuance Under the Option Plan (excluding securities reflected in (a)) (as at December 31, 2017)
	(a)	(b)	(c)
Equity Compensation Plans Approved by Securityholders(1)	21,368,293	10.92	5,735,867
Equity Compensation Plans Not Approved by Securityholders	—	—	—

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

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, 2012 and ending December 31, 2017. On and after October 3, 2016, the trading price of the Common Shares reflects the completion of the Separation Transaction, including the receipt by shareholders of ECN Capital Corp. common shares (TSX: ECN). Immediately prior to the completion of the Separation Transaction, the closing price of the Common Shares on the TSX was $16.22. Following completion of the Separation Transaction, on October 4, 2016, the closing price of the Common Shares on the TSX was $12.86 and the closing price of the ECN Capital Corp. common shares on the TSX was $3.38. For the purposes of the graph below, it has been assumed that, upon completion of the Separation Transaction, the ECN Capital Corp. common shares received were sold on October 4, 2016 (at the closing price of $3.38) and that the gross proceeds from such sale (assuming no transaction or other costs, fees or expenses were incurred) were reinvested in Common Shares of Element (at the closing price of $12.86) on that day.



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, 2012, 2013, 2014, 2015, 2016 and 2017 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, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Common Shares	100.0	197.2	199.2	235.2	223.1	174.4
S&P/TSX Composite Total Return Index	100.0	113.0	124.9	114.5	138.7	151.3

From December 31, 2012 to December 31, 2017, total shareholder returns for Element have increased by approximately 74%. During that same period, the total compensation received by Element's NEOs has also increased to reflect, among other things, the rapid growth of Element's business, achievement of strategic initiatives and the corresponding increase in total shareholder return. However, as discussed above and shown in the performance graph, overall compensation levels for Element's NEOs in 2017 were lower than in 2016, consistent with the decline in Element's share price in 2017. This is the

second year in a row that NEO compensation has declined, as overall compensation for Element's NEOs also declined in 2016 versus 2015. Accordingly, total shareholder return, as shown in the performance graph above, is aligned and consistent with the total compensation received by Element NEOs.

Historically, the Corporation's approach to compensation was to pay below industry average base salaries and above industry average performance bonuses, to reflect achievement of objectives during the year, including increases in total shareholder return. In mid-2016 the Board and the Corporation's management developed a compensation structure intended to "right size" compensation to the scale of the Corporation following the Separation Transaction, including through the use of longer-term incentives. The Board adopted additional best practices to emphasize pay-for-performance in 2017, and continues to take additional steps in 2018. See "Compensation Discussion and Analysis – Compensation Components".

Termination and Change of Control Benefits for NEOs

The employment agreements that Element has entered into with its NEOs may require Element to make certain types of payments and provide certain types of benefits to the NEOs upon termination of employment of a NEO or a change of control of the Corporation.

Employment Agreement of Mr. Jauernig

The employment agreement of Daniel Jauernig permits Element to terminate his employment without notice or pay in lieu thereof, at any time, for just cause. In such event, Element shall pay Mr. Jauernig his base salary up to the date of termination of employment.

Pursuant to the terms and conditions of his amended and restated employment agreement, as amended, if the employment of Mr. Jauernig 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 Mr. Jauernig dies or becomes disabled, then Element must provide Mr. Jauernig with a payment equal to $9,000,000 as a lump sum, being the maximum amount previously agreed to between the Corporation and Mr. Jauernig, which was determined and agreed to by the Corporation based on Mr. Jauernig's service with Element and prior levels of compensation. In such circumstances, Mr. Jauernig will continue to participate in Element's benefit plans (excluding disability coverage) in which Mr. Jauernig participated on the date immediately preceding the date of termination of employment until the second anniversary of such date of termination of employment.

Following any Change of Control, unvested outstanding Options and units held by Mr. Jauernig 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 Options and units upon a Change of Control on December 31, 2017, Mr. Jauernig would hold Options and units with an estimated combined in-the-money value of $1,136,209.

Employment Agreement of Mr. Zabaneh, Ms. Webb and Mr. Halliday

If the employment of the remaining NEOs (being Mr. Zabaneh, Ms. Webb and Mr. Halliday as at December 31, 2017) is terminated without just cause or in circumstances constituting constructive dismissal (including a termination without just cause or constructive dismissal following a Change of Control), or in the event that such NEO is terminated due to disability or death, then Element must provide such NEO with a payment equal to two (2) times the applicable NEO's base salary on the termination date plus two (2) times the greater of (i) the applicable NEO's targeted annual bonus and (ii) the average of the actual bonus paid by Element to the NEO in the two fiscal years prior to the

termination date. As at December 31, 2017, such amount would be equivalent to $2,443,911 for Mr. Zabaneh, $2,664,628 for Ms. Webb and $2,664,628 for Mr. Halliday.

Following termination upon Change of Control, unvested outstanding Options and units held by Mr. Zabaneh, Ms. Webb and 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 Options and units upon a Change of Control on December 31, 2017, Mr. Zabaneh would hold Options and units with an estimated combined in-the-money value of $764,607, Ms. Webb would hold Options and units with an estimated combined in-the-money value of $875,454 and Mr. Halliday would hold Options and units with an estimated combined in-the-money value of $735,660.

Employment Agreement of Mr. Nullmeyer

Bradley Nullmeyer entered into an employment agreement with the Corporation as of January 1, 2015, as amended on January 1, 2017. After more than five years with Element Financial Corporation as President and with the Corporation as Chief Executive Officer since the Separation Transaction on October 3, 2016, a period during which he oversaw the creation and rapid growth of Element's industry-leading fleet services platform, Mr. Nullmeyer retired from Element effective February 5, 2018, and this employment agreement is no longer in effect.

In accordance with the terms of his employment agreement (as previously disclosed in Element's 2017 management information circular dated April 26, 2017), Mr. Nullmeyer was paid his base salary to the date of retirement, as well as a retirement allowance equal to $12,000,000, as previously agreed to between the Corporation and Mr. Nullmeyer, based on Mr. Nullmeyer's service with and contribution to Element and by reference to his prior levels of compensation. In addition, Mr. Nullmeyer will continue to participate in Element's benefit plans (excluding disability coverage) until the second anniversary of the date of his retirement. In accordance with the terms of his employment agreement and the terms of the applicable Element equity incentive plans, Element settled Mr. Nullmeyer's RSUs, PSUs and DSUs by way of a lump-sum payment equal to $3,468,427. All unvested outstanding Options held by Mr. Nullmeyer vested immediately upon his retirement pursuant to the terms of his employment agreement.

Employment Agreement of Mr. Forbes

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

For the purposes of the employment agreements of the NEOs and Mr. Forbes, 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. In the event of a Change of Control, no unvested PSUs for any NEO or Mr. Forbes will vest at greater than 100% of the PSUs subject to any applicable award.

Each of the NEOs and Mr. Forbes 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.

LONGER-TERM INCENTIVE PLANS

Longer-Term Incentive Plan Descriptions

PSUs and RSUs (Cash-Settled)

The Board adopted the Element Share Unit Plan ("Unit Plan") in February 2014. Under the Unit Plan, both performance share units ("PSUs") and restricted share units ("RSUs") may be granted. PSUs and RSUs vest within three years and are paid 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 performance conditions include, but are not limited to, originations, return on equity, earnings per share, and integration of accretive acquisitions, which align executives with the Corporation's business strategy and reward executives only for the performance objectives that they are successful in achieving. Vested RSUs and PSUs will be settled in cash. The Unit Plan provides that the C&GC Committee may make proportionate adjustments to the PSUs in the event of certain changes in the capital of the Corporation.

During 2017, the Corporation granted a total of 272,640 PSUs and a total of 268,934 PSUs are outstanding as of December 31, 2017 (with 249,187 cancelled or forfeited).

During 2017, the Corporation granted a total of 816,695 RSUs and a total of 1,255,415 RSUs are outstanding as of December 31, 2017 (with nil 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. PSUs are linked to a scorecard approved by the C&CG Committee, and PSU performance measures will be inclusive of relevant financial measures and MBOs, as well as a three-year relative shareholder return measure that compares Element's total shareholder return against the total shareholder return of Element's peer group over three years. The PSU performance multiplier under the plan design may range from 0% to 200% depending on actual performance. The PSU payout will be zero if performance is below the minimum threshold.

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.

Stock Options

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 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.

The following types of amendments to the Option Plan will require shareholder approval: (i) an increase to the maximum number or percentage of securities issuable under the Option Plan; (ii) provisions granting additional powers to the Board to amend the Option Plan or entitlements thereunder; (iii) reduction in the exercise price of Options or other entitlements; (iv) any cancellation and reissue of Options or other entitlements; (v) any change to the categories of individuals eligible to be selected for grants of Options where such change may broaden or increase the participation of non-employee directors under the plan; (vi) an amendment to the prohibition on transfer of Options; (vii) an amendment to the amendment provisions under the plan; (viii) an extension to the term of Options; and (ix) changes to participation limits applicable to insiders or non-employee directors of the Corporation.

The Board may make the following amendments to the Option Plan or an Option granted under the Option Plan without obtaining shareholder approval: (i) amendments to the terms and conditions of the Option Plan necessary to ensure that it complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange, in place from time to time; (ii) amendments to the provisions of the Option Plan respecting administration of, and eligibility for participation under, the plan; (iii) amendments to the provisions of the Option Plan respecting the terms and conditions on which Options may be granted (including the vesting schedule); (iv) the addition of, and any subsequent amendment to, any financial assistance provision; (v) amendments to the Option Plan that are of a "housekeeping" nature; (vi) amendments to the provisions relating to a change of control; and (vii) any other amendments not requiring shareholder approval under applicable laws or the requirements of an applicable stock exchange (such as the TSX). Amendments to the Option Plan or Options that are not subject to shareholder approval may be implemented by the Corporation without shareholder approval, but are subject to any approval required by the rules of the TSX and other requirements of applicable law. The Board also has the right to amend, suspend or terminate the Option Plan or any portion of it at any time in accordance with applicable law and subject to any required regulatory, applicable exchange or shareholder approval.

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 2017, the Corporation granted a total of 963,639 Options and a total of 21,368,293 Options remained outstanding as of December 31, 2017 (representing approximately 5.6% of the issued and outstanding Common Shares on a fully-diluted basis).

As of December 31, 2017, a maximum of 35,753,449 Common Shares were available for issuance under the Option Plan (approximately 9.4% of the outstanding Common Shares on a non-diluted basis) and there were 5,735,867 Common Shares (approximately 1.5% of the outstanding Common Shares on a non-diluted basis) that remained available for issuance under the Option Plan.

Since the inception of the Option Plan, a total of 9,689,289 Common Shares have been issued pursuant to the exercise of Options, representing approximately 2.6% of the outstanding Common Shares on a non-diluted basis.

Amendments to the Option Plan since January 1, 2017

On April 26, 2017, the Board made several changes to the Option Plan, subject to approval by shareholders, which approval was received at the Corporation's annual meeting of shareholders held on June 6, 2017. These changes are reflected in the description of the Option Plan above. The amendments which the shareholders approved revised the Option Plan as follows: (a) to codify that non-employee directors shall not be entitled to participate in the Option Plan; (b) to provide the authority to the Board to amend the provisions relating to a Change of Control (as defined in the Option Plan) without shareholder approval; (c) to provide that the Board may not, without shareholder approval, make amendments to the Option Plan or an option granted thereunder with respect to any cancellation and reissue of options or other entitlements or any change to the categories of individuals eligible to be selected for grants of options, where such change may broaden or increase the participation of non-employee directors; (d) amendments to introduce provisions relating to the tax treatment of options granted to U.S. participants in the Option Plan; and (e) certain other changes of an administrative or housekeeping nature that related to the introduction of certain defined terms to improve clarity in the Option Plan.

Stock Option overhang, dilution and burn rates

	2017	**2016**	**2015**
Overhang(1)	7.40%	8.28%	8.54%
Dilution(2)	5.32%	6.01%	5.47%
Burn Rate(3)	0.25%	1.06%	2.77%

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

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

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

DSUs (Cash Settled)

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

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

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

The redemption date of a participant's DSUs shall not occur until his or her resignation or retirement from the Corporation. In such case, the participation 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.

Board members are required to take a minimum of 50% of their annual Board retainer in the form of DSUs.

During 2017, the Corporation granted 143,076 DSUs, all of which remain outstanding as at December 31, 2017. No DSUs were awarded to NEOs in 2017.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

The following table sets forth the indebtedness incurred by all current directors, officers and employees of the Corporation and its subsidiaries for the purchase of securities of the Corporation and for other purposes as of May 15, 2018.

Purpose	Aggregate Indebtedness to the Corporation or its Subsidiaries
Share Purchases	$17,859,785
Other	—

Indebtedness of Directors and Executive Officers under Securities Purchase Program

The following table sets out the indebtedness of directors and executive officers of the Corporation (including any person who, during the year-ended December 31, 2017, was, but is not at the date of this Circular, a director or executive officer of the Corporation), nominees for election as directors, and any associates of any of the foregoing persons, during the year-ended December 31, 2017 and as at May 15, 2018 to the Corporation or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Name and Principal Position	Involvement of Issuer	Largest Amount Outstanding in 2017	Amount Outstanding as at May 15, 2018	Security for Indebtedness
Daniel Jauernig *Acting Chief Executive Officer*	Lender	$1,100,250	$1,106,570	First-priority security interest over certain purchased Element securities (incl. all proceeds thereof)
Jim Halliday, *President & Chief Executive Officer of Element Fleet Management International*	Lender	$918,800	$924,230	First-priority security interest over certain purchased Element securities (incl. all proceeds thereof)
Bradley Nullmeyer,(1) *Former Chief Executive Officer*	Lender	$15,715,520	$13,887,090	First-priority security interest over certain Element and other securities (incl. all proceeds thereof)

(1) In connection with his retirement as the Chief Executive Officer of the Corporation effective February 5, 2018, the Corporation and Mr. Nullmeyer have entered into a separation agreement, which includes the terms of a repayment plan in respect of his securities purchase loan. The separation agreement supplements and amends the terms of the original loan agreement, which otherwise remains in full force and effect. Under the terms of the agreements, (i) interest accrues and is payable monthly at the rate of 3% per annum, (ii) Mr. Nullmeyer made certain initial reductions of the outstanding principal amount of the loan, and (iii) commencing July 1, 2018, Mr. Nullmeyer is required to ensure the outstanding principal amount of the loan is reduced to comply with specified declining monthly balances, with the final balance of principal and interest due and payable on June 30, 2020. Mr. Nullmeyer is also required to make certain mandatory repayments of the loan from the proceeds of the sale of specified Element and other securities. The loan is full recourse, and the Corporation believes it has adequate security and covenants from Mr. Nullmeyer regarding the full repayment of the outstanding balance of the loan. Mr. Nullmeyer is in compliance with his repayment obligations. No portion of Mr. Nullmeyer's indebtedness to the Corporation has been forgiven.

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

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of $100,000,000, subject to a $250,000 deductible payable by the Corporation. The annual premium paid by the Corporation for this coverage is $369, 203.

AVAILABLE INFORMATION

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

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

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DIRECTORS' APPROVAL

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

Dated as of May 21, 2018.

David Colman
Senior Vice President, General Counsel & Corporate Secretary

APPENDIX A

ELEMENT FLEET MANAGEMENT CORP.
BOARD OF DIRECTORS MANDATE

As of December 14, 2011 (*updated as of March 14, 2018*)

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.

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

If the Chair of the Board is not independent, then the independent directors shall select from among their number a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, 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 Vice-Chair, the Lead Director, 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 and 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 (in conjunction with the Lead Director, as applicable) is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

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

Secretary and Minutes

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

Meetings Without Management

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

Directors' Responsibilities

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

Access to Management and Outside Advisors

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

Service on Other Boards and Audit Committees

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

6. Director Development and Evaluation

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

legal obligations of a director of the Corporation. From time to time as required, the Board, with the assistance of the Compensation and Corporate Governance Committee, shall review the Corporation's initial orientation program and continuing director development programs.

7. No Rights Created

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

Adopted: December 14, 2011 (*updated as of March 14, 2018*)

Questions? Need Help Voting?

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

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