

# Board Of Directors Mandate

## 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.

## Composition

### General

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

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

## Independence

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

## Chair of the Board

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 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.

## Duties and responsibilities

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

### Strategic planning

#### a) Strategic plans

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

#### (b) Business and capital plans

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

#### (c) Monitoring

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

## **Risk management**

### **a) General**

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

### **b) Verification of controls**

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

## **Human resource management**

### **a) General**

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

### **b) Succession review**

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

### **c) Integrity of senior management**

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

## **Corporate governance**

### **a) General**

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

### **b) Director independence**

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

c) Ethics reporting

The Board has adopted a written Code of Business Conduct and Ethics (the “Code”) applicable to directors, officers and team members of the Corporation. The Board shall review reports from the Compensation and Corporate Governance Committee regarding compliance with the Code and 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 and 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.

## 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.

## Meetings

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair is primarily responsible for the agenda and for

supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

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

### **Secretary and minutes**

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

### **Meetings without management**

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

### **Directors' responsibilities**

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

### **Access to management and outside advisors**

In discharging the forgoing duties and responsibilities, the Board shall have unrestricted access to management and team members 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.

## 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.
- (ii) The legal obligations of a director of the Corporation. From time to time as required, the Board, with the assistance of the Compensation and Corporate Governance Committee, shall review the Corporation's initial orientation program and continuing director development programs. On an annual basis, the Board shall conduct an evaluation of the full Board, each Committee and each director.

## 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.