



Human Resources and Compensation Committee Charter

The purpose of this charter (the “**Charter**”) is to describe the primary duties and responsibilities of the Human Resources and Compensation Committee (the “**Committee**”) of the board of directors (the “**Board**”) of The Lion Electric Company (the “**Company**”), as well as some of the policies and procedures that apply to the Committee in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Committee are prescribed and/or governed by the constating documents of the Company, applicable securities laws and regulations (including stock exchange rules) and applicable agreements, including the nomination rights agreement dated May 6, 2021 (the “**Nomination Rights Agreement**”).

Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities as they relate to the Company’s key human resources and compensation policies, plans and programs, and to review the performance of, and to review and determine (or recommend to the Board for approval) the compensation to be paid to, the Company’s executive officers.

Composition and qualifications

The members of the Committee, including the member to be acting as Chair, shall be appointed by the Board in accordance with any agreement among shareholders of the Company and the Company, including the Nominations Rights Agreement, and applicable securities laws and regulations (including stock exchange rules). The Committee shall be comprised of such number of directors, in no event less than three, as the Board may from time to time by resolution determine. Committee members may be removed by the Board in its discretion.

The Chair and each member of the Committee shall serve until his or her successor is duly appointed by the Board, or until his or her earlier death, resignation or removal by the Board. Resignation or removal of a Committee member from the Board for any reason shall automatically constitute resignation or removal, as applicable, from the Committee. Vacancies occurring on the Committee shall be filled by the Board.

At all times, (i) at least a majority of the members of the Committee shall meet the “independence” requirements of applicable laws and regulations (including National Instrument 52-110 – *Audit Committees*), including any applicable rules of a stock exchange on which the common shares of the Company are listed, (ii) neither the Chief Executive Officer of the Company (the “**CEO**”) nor 9368-2672 (as such term is defined in the Nomination Rights Agreement) shall have the right to appoint any director to the Human Resources and Compensation Committee, and (iii) all members of the Committee shall meet any other qualifications determined by the Board from time to time.

Meetings

The Chair, in consultation with the other members of the Committee, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each member unless all members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means.

The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. The Chair or any member of the Committee may call a special meeting of the Committee at any time by notifying the Company's corporate secretary, who will notify the members of the Committee.

A. Agenda and Notice

The Chair of the Committee shall establish the meeting dates of the Committee. To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the members of the Committee and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require senior executives and other employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

B. Holding and Recording Meetings

Committee meetings may be held in person, by videoconference or other electronic means or telephonically. Action may be taken by the Committee upon the affirmative vote of a majority of the members. The Committee shall keep written minutes of its meetings and submit such minutes to the Board promptly after each meeting. The Committee may also act by unanimous written consent and, when it does so, those actions will be filed in the minutes of the Committee.

C. Quorum

A majority of the members of the Committee shall constitute a quorum. Any actions taken by the Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth under "Composition and Qualifications" above shall be nonetheless duly authorized actions of the Committee for all corporate purposes.

D. Sub-Committees

Subject to applicable law, the Committee shall have the authority to delegate to any of its members, any sub-committees of the Committee or any other person any of the responsibilities of the full Committee.

Compensation

The compensation of Committee members shall be determined by the Board.

Responsibilities and powers of the committee

A. Overall Compensation Strategy

The Committee shall evaluate and recommend to the Board for approval the compensation policies, plans and programs advisable for the executives officers of the Company, and evaluate and recommend to the Board from time to time for approval the adoption of any new policies, plans and programs or any modification or termination of existing policies, plans and programs as it deems necessary. The objective of the Committee shall be to maintain an overall compensation structure designed to attract, retain and motivate directors, executive officers and other employees by providing appropriate levels of risk and reward in proportion to individual contribution and individual and corporate performance.

The Committee shall review and approve the Company's goals and objectives relevant to overall executive compensation strategy, and ensure that the administration of the Company's executive compensation plans, policies and practices conform to this philosophy.

The Committee shall review and approve, or recommend to the Board for approval, individual and corporate goals and objectives relevant to the compensation of the CEO and the Company's other executive officers, evaluate the performance of the CEO and the Company's other executive officers in light of such goals and objectives and with appropriate input from other independent directors and, in the case of the Company's other executive officers, the CEO, and determine and recommend to the Board for approval the compensation levels for the CEO and the Company's other executive officers.

B. Appointment or Removal of the CEO and other Executive Officers

The Committee shall assist the Board with the selection and appointment of the CEO and approve the appointment and termination of other executive officers of the Company.

The Committee shall consider and make recommendations to the Board in respect of the terms of the employment contracts of the CEO and other executive officers and any proposed changes to such contracts. The Committee shall also ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company.

C. Director Compensation

The Committee shall periodically evaluate and make recommendations to the Board with respect to appropriate forms and amounts of compensation for non-employee directors of the Company, including any consulting, retainer, meeting, committee and committee chair fees, as well as equity awards, to ensure that it properly aligns the interests of directors with the long-term interests of the Company and shareholders and that it realistically reflects the responsibilities and risks involved in being an effective director of the Company.

D. Equity-Based and Incentive Compensation Plans

The Committee shall administer the Company's equity-based plans and management incentive compensation plans, including any share options plans, share appreciation rights plans, pension and profit sharing plans, incentive plans, share bonus plans, share purchase plans, bonus plans, deferred compensation plans and sub-plans thereof and similar programs, and make recommendations to the Board about any modification or termination of any such plans and the adoption of any new employee incentive compensation plans.

E. Management Resources and Succession Planning

The Committee shall periodically review management's assessment with respect to the state of the Company's management resources and make recommendations to the Board in respect thereof.

Further, the Committee shall assist the Board in overseeing that adequate succession planning programs are in place for the CEO and other executive officers.

F. Disclosure

The Committee shall oversee the preparation of, review and approve the executive compensation disclosure to be included in the Company's management proxy circular and other applicable public disclosure of the Company to be made with applicable securities regulators and stock exchanges.

G. Insurance Coverage

The Committee shall review and oversee the establishment of appropriate insurance coverage for the Company's directors and executive officers.

H. Review of Compensation Practices

The Committee shall periodically review compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry, provided that the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid. The Committee may, to the extent it deems appropriate, oversee the selection of any peer group used in conducting such review of compensation practices or any specific element of compensation.

The Company shall also periodically review the Company's practices and policies as they relate to risk management and risk-taking incentives, to determine whether such compensation practices and policies are reasonably likely to have a material adverse effect on the Company.

I. Other Responsibilities

The Committee shall perform such other duties as may be required by law or requested by the Board or deemed appropriate by the Committee in order to discharge any of the foregoing. The Committee shall discharge its responsibilities, and shall assess the information provided to the Committee, in accordance with its business judgment. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and any external advisors, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

Committee administrative matters

A. Independent Advisors

The Committee shall have authority to appoint, retain or obtain the advice of compensation consultants, legal counsel or other advisors ("**advisors**"). The Committee shall have the sole authority and direct responsibility to approve such advisors' fees and other retention terms, to oversee the work of and to terminate the services of such advisors, and the authority and responsibility to pay from Company funds reasonable compensation to such advisors, as determined by the Committee.

Before selecting or obtaining the advice of any such advisor (other than in-house legal counsel), the Committee shall consider all factors relevant to the independence of such advisor from management, including the rules of any stock exchange on which the Company's securities are listed and any other applicable laws, rules or regulations.

The Committee shall review and discuss with management any conflicts of interest raised by the work of any advisor retained by the Committee of management and how such conflict is being addressed, and prepare any necessary disclosure in the Company's annual proxy statement in accordance with applicable law.

B. Access to Records and Personnel

The Committee shall have full access to any relevant records of the Company that it deems necessary to carry out its responsibilities. The Committee may request that any officer or other employee of the Company or any advisor to the Company meet with members of the Committee or its advisors, as it deems necessary to carry out its responsibilities.

C. Reports to Board of Directors

The Committee shall report periodically to the Board regarding Committee matters and/or the meetings of the Committee with such recommendations to the Board as the Committee deems appropriate.

D. Education and Orientation

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of industry compensation practices, compensation disclosure requirements and the compensation strategy applicable to the Company.

New Committee members shall be provided with an orientation program to educate them on the Company's business, their responsibilities and the Company's compensation and other governance practices.

E. Review of This Charter

The Committee shall review and reassess annually the adequacy of this Committee Charter and recommend any proposed changes to the Board for approval.

The procedures outlined in this Charter are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

F. Evaluation of Committee

The Committee is responsible for developing and conducting an annual self-assessment of its performance. The Committee shall report to the full Board on the results of its assessment each year and shall make any appropriate recommendations to further enhance the Committee's performance.