



Mandate of the Board of Directors

Introduction

The Board of Directors (the “**Board**”) of The Lion Electric Company (the “**Company**”) is responsible for exercising all the powers necessary to manage, or supervise the management of, the business and affairs of the Company. Its members (the “**Directors**”) are elected by the shareholders of the Company. The purpose of this mandate of the Board (the “**Mandate**”) is to describe the primary duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Board are prescribed and/or governed by the *Business Corporations Act* (Québec) and the constating documents of the Company, and applicable agreements, including the nomination rights agreement dated May 6, 2021 (the “**Nomination Rights Agreement**”).

Duties and Responsibilities of the Board

Pursuant to applicable laws, in exercising their powers and discharging their duties, Directors are duty-bound toward the Company to act with prudence and diligence, honesty and loyalty and in the interest of the Company. In furtherance of its responsibility and purpose, the primary duties and responsibilities of the Board include:

Corporate Strategy and Budgets

- ensuring a strategic planning process is in place and reviewing, on at least an annual basis, the principal business objectives for the Company, which consider, among other things, the opportunities and risks of the business;
- approving the Company’s annual operating and capital budgets;
- monitoring the Company’s success in implementing the strategy and achieving its goals;

Risk Management

- identifying, in conjunction with management, the principal risks applicable to the Company, and overseeing management’s implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks, provided that pursuant to its duty to oversee the implementation of effective risk management policies and procedures, the Board may delegate to applicable Board committees the responsibility for assessing and implementing appropriate policies and procedures to address specified risks, including delegation of risk management to committees of the Board;
- ensuring adequate disclosure of how the Board oversees risk;

- overseeing the Company's corporate governance policies and practices and their disclosure in public disclosure documents;
- monitoring the size and composition of the Board, determining the appropriate qualifications and criteria for the selection of Board members and overseeing the nomination process for new Directors, in each case subject to the terms of the Nomination Rights Agreement or any other agreement among shareholders of the Company and the Company, as applicable;
- developing a succession plan for the Directors;
- developing position descriptions for the chair of the Board and the chair of each committee of the Board;
- developing a process for the assessment of the effectiveness and contribution of the Board, the committees of the Board and the individual Directors;
- ensuring that all new Directors receive a comprehensive orientation with respect to the role of the Board and its committees and nature and operations of the Company's business as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from its Directors);
- providing continuing education opportunities for all Directors, so that individuals may maintain or enhance their skills and abilities as Directors, as well as ensuring their knowledge and understanding of the Company's business remains current;
- adopting and monitoring compliance with key corporate policies and procedures designed to ensure that the Company, its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity;
- monitoring the implementation of procedures and initiatives relating to corporate social and environmental responsibilities, and health and safety rules and regulations in the organization;

Chief Executive Officer, Officers and Compensation and Benefits

- appointing the Chief Executive Officer (the "CEO") and developing the corporate goals and objectives that the CEO is responsible for meeting, and reviewing the performance of the CEO against such goals and objectives;
- developing, together with the CEO, a position description for the CEO, which includes delineation of management's responsibilities;
- approving the appointment of the senior officers of the Company and the assessment of each senior officer's contribution to the achievement of the Company's strategy;
- evaluating the performance of the CEO and other executive officers against the objectives established by the Board;
- approving the compensation of the senior executives of the Company upon recommendation of the Human Resources and Compensation Committee;
- providing stewardship in terms of succession planning, and ensuring that the Company has effective programs in place for leadership development and the appointment, training and supervision of management;

- establishing the goals and objectives relevant to the compensation philosophy, overseeing executive compensation and evaluating risks associated with executive compensation and incentive plans;
- approving the Company's compensation policy for Directors;
- taking steps to satisfy itself as to the integrity of the senior executives of the Company and that the senior executives create a culture of integrity throughout the organization;

Financial Reporting and Transactions

- approving the Company's financial statements and other financial information filed with applicable securities regulators;
- appointing, subject to approval of shareholders, and removing of the Company's auditor;
- monitoring internal controls and management information systems, and reviewing related procedures and reporting;
- reviewing, approving and overseeing the Company's disclosure controls and procedures;
- serving as an advisor to management and reviewing and approving major business decisions including material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Company's governing statute, including the payment of dividends, issuances, purchases and redemptions of securities, and acquisitions and dispositions of material capital assets;

Legal Requirements and Communications

- overseeing compliance with disclosure requirements applicable to the Company, including disclosure of material information in accordance with applicable securities laws and stock exchange rules;
- adopting a disclosure policy for the Company and overseeing communications with shareholders, other stakeholders, analysts and the public, including the adoption of measures for receiving feedback from stakeholders and reporting to shareholders as necessary;
- overseeing the adequacy of the Company's processes to ensure compliance by the Company with applicable legal and regulatory requirements;

Review of Mandate and Delegation

The Board may, from time to time, permit departures from the terms of this Mandate, either prospectively or retrospectively. This Mandate is not intended to give rise to civil liability on the part of the Company or its Directors or officers to shareholders, securityholders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part. The Board may review and recommend changes to the Mandate from time to time and the Nominating and Corporate Governance Committee may periodically review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.

The Board shall delegate to the CEO, other officers and management personnel appropriate powers to manage the business and affairs of the Company. The Board may delegate, subject to applicable laws, certain matters it is responsible for to committees of the Board, presently consisting of the Audit Committee, the Nominating and Corporate Governance Committee and the Human Resources and Compensation Committee.