



**NOTICE OF  
ANNUAL GENERAL MEETING  
OF  
SHAREHOLDERS**

**AND**

**INFORMATION CIRCULAR  
– PROXY STATEMENT**

*Our Life is the Highway*



# MULLEN GROUP LTD.

## Information Circular - Proxy Statement

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## Invitation to Shareholders

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March 10, 2010

Dear Shareholder:

On behalf of the Board of Directors, we would like to invite you to attend this year's Annual General Meeting of Shareholders of Mullen Group Ltd., which will be held on Tuesday, May 4, 2010 at 3:00 p.m. (Mountain time) at the Calgary Petroleum Club, 319 - 5<sup>th</sup> Avenue S.W., Calgary, Alberta. The enclosed Information Circular - Proxy Statement describes the business to be conducted at the meeting.

We encourage you to exercise your right to vote. If you are unable to attend the meeting, you can ensure your vote is recorded by returning the signed form of proxy.

We hope that you will join us at our Annual General Meeting.

Sincerely,

**Signed: "Murray K. Mullen"**

Murray K. Mullen,  
Chairman and CEO

**Signed: "Stephen H. Lockwood"**

Stephen H. Lockwood,  
President and Co-CEO

*Our Life is the Highway™*

# MULLEN GROUP LTD.

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## Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Annual Meeting**") of the shareholders of Mullen Group Ltd. will be held on Tuesday, May 4, 2010 at 3:00 p.m. (Mountain time), at the Calgary Petroleum Club, 319 - 5<sup>th</sup> Avenue S.W., Calgary, Alberta, for the following purposes:

1. *to receive the financial statements for the year ended December 31, 2009, together with the report of the Auditors;*
2. *to fix the number of directors of Mullen Group Ltd. to be elected at the Annual Meeting at eight (8) members;*
3. *to elect the directors for the ensuing year;*
4. *to appoint the Auditors for the ensuing year and authorize the directors to fix the remuneration to be paid to the Auditors; and*
5. *to transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof.*

The specific details of the matters proposed to be put before the Annual Meeting are set forth in the accompanying Information Circular - Proxy Statement.

Your participation as a shareholder is very important to Mullen Group Ltd. If you are unable to attend the Annual Meeting in person we encourage you to exercise your right to vote by completing the enclosed form of Proxy or Voting Instruction Form, as the case may be, and returning such form pursuant to the instructions provided therein. In order to be valid and acted upon at the Annual Meeting, forms of proxy must be deposited and received by CIBC Mellon Trust Company, Proxy Department, at P.O. Box 721, Agincourt, Ontario M1S 0A1 or by facsimile at 1-416-368-2502, in each case prior to 3:00 p.m. (Mountain time) on May 3, 2010, or not less than twenty-four (24) hours (excluding Saturdays, Sundays and holidays) before the time of any adjournment of the Annual Meeting.

DATED at Okotoks, Alberta, this 10th day of March, 2010.

By Order of the Board of Directors

**MULLEN GROUP LTD.**

***Signed: "Roberta A. Wheatcroft"***

Roberta A. Wheatcroft,  
Corporate Secretary

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## General Information

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This Information Circular – Proxy Statement (the "**Information Circular**") dated March 10, 2010 is furnished in connection with the solicitation of proxies for use at the annual general meeting (the "**Annual Meeting**") of the shareholders of Mullen Group Ltd. on Tuesday, May 4, 2010 at 3:00 p.m. (Mountain time) and at any adjournment of such meeting. **Unless otherwise stated, the information contained in this Information Circular is given as at March 10, 2010.**

The use of "**we**", "**us**", "**our**", "**Corporation**" and "**Mullen Group**" in this Information Circular refers to Mullen Group Ltd. Unless otherwise stated, all dollar amounts are expressed in Canadian dollars.

### Access to Documents

Any document referred to in this Information Circular and described as being filed on SEDAR at [www.sedar.com](http://www.sedar.com) (including those documents referred to as being incorporated by reference in this Information Circular) may be accessed on Mullen Group's website at [www.mullen-group.com](http://www.mullen-group.com) or obtained free of charge from our Investor Services group at 121A – 31 Southridge Drive, Okotoks, Alberta, T1S 2N3, telephone (403) 995-5200 or [ir@mullen-group.com](mailto:ir@mullen-group.com).

### Mailing

This Information Circular is being mailed to shareholders beginning on March 31, 2010. The 2009 Annual Financial Report, containing Mullen Group's 2009 annual audited consolidated financial statements (the "**2009 Annual Financial Statements**") for the year ended December 31, 2009, together with management's discussion and analysis thereon (the "**2009 MD&A**") is being mailed to:

- registered shareholders, except those who asked not to receive it; and
- non-registered (beneficial) shareholders who requested a copy.

The Information Circular and other proxy materials are also provided to various intermediaries. Mullen Group herein requests of such intermediaries that the materials be forwarded promptly to our beneficial shareholders.

### Registered and Beneficial Shareholders

You are a registered shareholder if your Common Shares are registered in your name and you have a share certificate. Registered shareholders will receive an "Instrument of Proxy" with the Information Circular. You are a non-registered (beneficial) shareholder if your Common Shares are held by an intermediary, such as a broker, investment dealer, bank, trust company, trustee, nominee or other intermediary (collectively, an "**Intermediary**"). Non-registered (beneficial) shareholders will receive a "Voting Instruction Form" with the Information Circular.

Where applicable, the Instrument of Proxy and Voting Instruction Form are referred to collectively in this Information Circular as the "**proxy**" or "**form of proxy**".

### Request for Annual and Interim Reports

Each year Mullen Group encloses with its Information Circular a "Request for Interim Financial Reports" form for use by its registered shareholders. Non-registered (beneficial) shareholders receive a "Request for Annual and/or Interim Financial Reports" form. If you wish to receive Mullen Group's annual and/or interim financial reports for the upcoming year, please complete and return the enclosed request forms as indicated on such form. You can also access Mullen Group's annual financial report and interim financial reports on SEDAR at [www.sedar.com](http://www.sedar.com), on our website at [www.mullen-group.com](http://www.mullen-group.com) or by contacting our Investor Services group by e-mail at [ir@mullen-group.com](mailto:ir@mullen-group.com).

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# The Annual Meeting

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## Formation of Mullen Group

This is the first Annual Meeting of Mullen Group since it completed a corporate reorganization (the "**Corporate Arrangement**") effective May 1, 2009 pursuant to a plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta), involving, among others, Mullen Group Income Fund (the "**Fund**") and Mullen Co. Limited Partnership ("**MCLP**"). Pursuant to the Corporate Arrangement, among other things, all of the Fund's issued and outstanding trust units (the "**Trust Units**") and all of MCLP's class B Units (the "**MCLP B Units**") became common shares of Mullen Group (the "**Common Shares**"). Additional information relating to the Corporate Arrangement is provided under the heading "Three Year History" in Mullen Group's 2009 Annual Information Form (the "**2009 AIF**"), a copy of which is filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## Meeting Particulars

Mullen Group's Annual Meeting will be held on Tuesday, May 4, 2010 at 3:00 p.m. (Mountain time) in the McMurray Room at the Calgary Petroleum Club at 319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta for the purposes set forth in the accompanying notice of meeting.

## Securities Entitled to Vote at the Annual Meeting

Mullen Group has one class of shares that is entitled to vote at the Annual Meeting, being its Common Shares. As at the date hereof, there are 80,606,780 Common Shares issued and outstanding. Each outstanding Common Share entitles the holder to one vote at the Annual Meeting.

Mullen Group issued \$125.0 million of unsecured convertible subordinated debentures (the "**Debentures**") by way of private placement on May 1, 2009. Each \$1,000 Debenture is convertible into 93.2 Common Shares (such is based on a conversion price of \$10.73) at any time at the option of the holders of the Debentures. Thus, an aggregate of approximately 11.65 million Common Shares may be issued if all holders convert their principal amount. No Debentures have been converted into Common Shares as at the date hereof.

Only holders of record of Common Shares at the close of business on March 17, 2010 (the "**Record Date**"), will be entitled to vote at the Annual Meeting, unless that shareholder has transferred any Common Shares subsequent to the Record Date and the transferee shareholder, not later than 10 days before the Annual Meeting, establishes ownership of the Common Shares and demands that the transferee's name be included on the list of shareholders.

## Principal Holders of Voting Securities

To the knowledge of the directors and officers of Mullen Group, as at the date hereof, no person or company owns, controls, directs, directly or indirectly, more than ten percent (10%) of the votes attached to all of the issued and outstanding Common Shares.

## Quorum

A quorum shall be present at the Annual Meeting if two persons holding not less than five percent (5%) of the outstanding Common Shares entitled to vote at the Annual Meeting are present either in person or by duly appointed proxy. If within 30 minutes from the time appointed for the Annual Meeting a quorum is not present, the Annual Meeting shall be adjourned to the same day in the next week if a business day, and if not a business day, to the next business day following one week after the day appointed for the Annual Meeting, at the same time and place. No notice of the adjourned Annual Meeting shall be required and, if at such adjourned meeting a quorum is not present, the shareholders present if at least two, shall be a quorum for all purposes.

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## Voting Information

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**YOUR VOTE IS IMPORTANT – AS A SHAREHOLDER IT IS VERY IMPORTANT THAT YOU READ THE INFORMATION CIRCULAR CAREFULLY AND THEN VOTE YOUR COMMON SHARES**

### Solicitation of Proxies

**This Information Circular is delivered in connection with the solicitation of proxies by and on behalf of management of Mullen Group** for use at the Annual Meeting of Mullen Group. Our transfer agent, CIBC Mellon Trust Company ("**CIBC Mellon**"), must receive your completed form of proxy by 3:00 p.m. (Mountain time) on May 3, 2010, or, in the case of any adjournment or postponement of the Annual Meeting, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting. The solicitation will be primarily by mail, but proxies may also be solicited personally or by other means of communication by Mullen Group's directors, officers and employees who will not be remunerated therefore. Mullen Group will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual general meeting and this Information Circular.

### General Proxy Instructions

A form of proxy is enclosed with this Information Circular. When you sign the enclosed proxy, you authorize Murray K. Mullen and Stephen H. Lockwood ("**Management Appointees**"), who are both directors and officers of Mullen Group, as your proxyholders to vote your Common Shares for you at the Annual Meeting in accordance with the instructions provided by you. The Common Shares represented by the proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for at the Annual Meeting. If you specify a choice with respect to any matter to be acted upon at the Annual Meeting, your Common Shares will be voted accordingly. **If you return your proxy and do not indicate how you want to vote your Common Shares, your vote will be cast FOR the election of the persons nominated for election as directors and FOR the appointment of KPMG LLP as auditors and the authorization of the directors to set their remuneration.**

**You have the right to appoint another proxyholder other than the Management Appointees to represent you at the Annual Meeting.** If you appoint someone else, he or she must be present at the Annual Meeting to vote your Common Shares. To appoint someone else as your proxyholder, strike out both names of the Management Appointees and write the name of the person voting for you in the space provided. If you are completing your voting instructions on the Internet, follow the instructions on the website on how to appoint someone else. **If you do not specify how you want your Common Shares voted, your proxyholder will vote your Common Shares as he or she sees fit on each item.**

**A proxyholder is conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and notice of annual meeting and with respect to any other matters which may properly be brought before the Annual Meeting or any adjournment thereof. At the time of printing this Information Circular, the management of Mullen Group knows of no such amendment, variation or other matter.**

If you are an individual shareholder, you or your authorized attorney must sign the enclosed proxy. If the shareholder is a corporation or other legal entity, an authorized officer or attorney must sign the proxy. A proxy that is signed by a person acting as attorney, or in some other representative capacity, should include such person's capacity after the signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act.

## Voting by Registered Shareholders

You are a registered shareholder if your Common Shares are held in your name and you have a share certificate. You can vote in person at the meeting or by proxy.

<b>In person at the Annual Meeting</b>	You do not need to complete or return your proxy form.  <b>Please register with the transfer agent, CIBC Mellon, at the table identified as "Shareholder Registration" when you arrive.</b>
<b>By Proxy</b>	Complete your voting instructions, sign and date your proxy form and return it, either in the envelope provided or by faxing it to CIBC Mellon at 1-416-368-2502, by 3:00 p.m. (Mountain time) on Monday, May 3, 2010 or, in the case of any adjournment or postponement of the Annual Meeting, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed Annual Meeting.

### Revoking your proxy (Registered Shareholders)

In addition to revocation in any other manner permitted by law, you can revoke a vote you made by proxy by:

- Voting in person at the Annual Meeting;
- Sending a written notice of revocation from you or your authorized attorney to CIBC Mellon Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or by facsimile at 1-416-368-2502 at any time up to and including the last business day before the day of the Annual Meeting, or any adjournment thereof; or, in the case of any adjournment or postponement of the Annual Meeting, on the business day immediately preceding the day of the adjourned or postponed meeting; or
- Giving a written notice of revocation from you or your authorized attorney to the Chairman of the Annual Meeting on the day of, but prior to the commencement of, the Annual Meeting or any adjournment or postponement of the Annual Meeting.

### Voting by Non-Registered (Beneficial) Shareholders

You are a non-registered (beneficial) shareholder if your Common Shares are held in an Intermediary's name, such as a broker, investment dealer, bank, trust company, trustee, nominee or other intermediary. Your Intermediary is required by law to ask for your voting instructions before the Annual Meeting. Common Shares held by an Intermediary can only be voted upon your instruction, and without your specific instructions, your Intermediary is prohibited from voting your Common Shares.

Every Intermediary has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Annual Meeting. The majority of Intermediaries now delegate responsibility for obtaining voting instructions from their clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"), who mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form in accordance with the instructions provided on such form. Broadridge will then tabulate the results and provide the appropriate instructions to CIBC Mellon. If you did not receive a voting instruction form or other form of proxy in this package please contact your Intermediary.

Non-registered (beneficial) Shareholders can exercise their vote as follows:

<b>In person at the Annual Meeting</b>	<p>We do not have access to the names or holdings of our non-registered (beneficial) shareholders. Therefore, if you wish to vote in person, you must appoint yourself as proxyholder for your Common Shares by writing your name in the space provided on the enclosed voting instruction form, signing the form and then returning it as directed on the form. <u>Note that the voting instruction form must be returned to Broadridge in accordance with the timelines set forth on the form.</u> You do not need to complete the voting instructions as you will vote at the meeting.</p> <p>If you appoint yourself as proxyholder, your vote will only be counted if you attend the Annual Meeting and vote in person.</p> <p><b>When you arrive at the Annual Meeting, please register with the transfer agent, CIBC Mellon, at the table identified as "Shareholder Registration".</b></p>
<b>By Voting Instruction Form</b>	<p>In most cases your Intermediary will provide a voting instruction form that allows you to provide your voting instructions by telephone, on the Internet or by mail. Carefully follow the instructions provided on the form.</p> <ul style="list-style-type: none"><li>• You can return your completed voting instruction form by mail in the envelope provided.</li><li>• You can provide your voting instructions on the Internet by going to <a href="http://www.proxyvote.com">www.proxyvote.com</a> and following the instructions on the screen. You will need your "Control Number", which is printed on the front of your voting instruction form.</li><li>• You can provide your voting instructions by telephone by calling the toll-free telephone number listed on your voting instruction form. You will need your "Control Number", which is printed on the front of your voting instruction form.</li></ul> <p><u>Note that the voting instruction form must be returned to Broadridge in accordance with the instructions and timelines set forth on the voting instruction form.</u></p>

### **Revoking your proxy (Non-Registered (Beneficial) Shareholders)**

You may change your voting instructions given to an Intermediary by notifying such Intermediary in accordance with the Intermediary's instructions.

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## The Business of the Annual General Meeting

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

Management of Mullen Group is not aware of any material interest of any director or nominee for director, or executive officer or anyone who has held office as such since the beginning of Mullen Group's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Annual Meeting other than the election of directors.

#### 1. Financial Statements

The 2009 Annual Financial Report was mailed to those shareholders who opted to receive it. No action is required or proposed to be taken at the Annual Meeting with respect to the financial statements. The 2009 Annual Financial Report is available on SEDAR at [www.sedar.com](http://www.sedar.com), Mullen Group's website at [www.mullen-group.com](http://www.mullen-group.com) or on request, free of charge, from Mullen Group's Investor Services group at [ir@mullen-group.com](mailto:ir@mullen-group.com).

#### 2. Fixing the Number of Directors

Directors are elected annually at each annual meeting of shareholders to hold office until the next annual meeting or until their successors have been duly elected or appointed. Mullen Group's articles provide for a minimum of three and a maximum of fifteen directors.

The Board currently consists of nine directors. Messrs. Bruce W. Simpson and Richard E. Peterson have advised the Board that they will retire from the Board effective May 4, 2010 to pursue other business and personal interests. The Board of Directors has determined that the number of directors to be elected at the Annual Meeting should be set at eight (8). **Management is soliciting proxies, in accordance with the accompanying form of proxy, for an ordinary resolution in favour of fixing the Board of Directors at eight (8) members.**

**The Management Appointees named in the enclosed form of proxy intend to vote for fixing the number of directors of Mullen Group at eight (8) for the ensuing year.**

#### 3. Election of Directors

**Management is soliciting proxies, in accordance with the accompanying form of proxy, for an ordinary resolution in favour of the election as directors of the eight (8) nominees set forth below.** With the exception of Mr. Bruce Mullen, each such nominee is currently a director of Mullen Group.

Alan D. Archibald  
Steven C. Grant  
Stephen H. Lockwood, Q.C.  
Murray K. Mullen

Greg Bay  
Dennis J. Hoffman  
Bruce W. Mullen  
Patrick G. Powell

It is not contemplated that any nominee will be unable to serve as director, but, if that should occur for any reason prior to the Annual Meeting, **the Management Appointees named in the enclosed form of proxy and voting instruction form will use the discretionary authority conferred by the proxies to grant approval to vote for the election of any other person or person nominated by Mullen Group.**

Background information on each nominee is set forth on the following pages. **The Management Appointees named in the enclosed form of proxy intend to vote for the election of the eight (8) nominees listed below as Mullen Group's directors for the ensuing year.**

**Alan D. Archibald**  
Age: 51  
Alberta, Canada  
Director since 2003  
Independent

Mr. Archibald is the Chief Executive Officer of Northpoint Energy Ltd., a private oil and gas exploration and production company. Prior to joining Northpoint Energy Ltd., Mr. Archibald was the Chief Executive Officer of Tripoint Energy Ltd. for the period January 2004 through November 2005, and prior thereto, was the President and Chief Operating Officer of Pointwest Energy Ltd.

Mr. Archibald received a Bachelor of Engineering (Mining) degree, from the Technical University of Nova Scotia in 1982 and a Bachelor of Science (Engineering) degree, from Dalhousie University in 1980.

Board/Committee Memberships		Meeting Attendance (2009)	
Board of Directors	9 of 10	90%	
Audit Committee	3 of 4	75%	
Compensation, Nomination and Governance Committee, Chair	4 of 4	100%	
Other Public Company Board Memberships			
None			
Number of Securities Owned, Controlled or Directed			
Common Shares	Debentures	Options Held	
22,893	Nil	5,000	

**Greg Bay**  
Age: 51  
British Columbia, Canada  
Director since 2005  
Independent

Mr. Bay is currently the President and Chief Executive Officer of Cypress Capital Management Ltd., an investment management firm which he founded in 1998. Mr. Bay graduated with a Bachelor of Commerce (Finance) degree, from Brigham Young University in 1980 and earned a Chartered Financial Analyst designation in 1988.

Board/Committee Memberships		Meeting Attendance (2009)	
Board of Directors	9 of 10	90%	
Audit Committee	4 of 4	100%	
Compensation, Nomination and Governance Committee	4 of 4	100%	
Other Public Company Board Memberships			
Fairborne Energy Ltd.		TSX	
Bellamont Exploration Ltd.		TSX-V	
Number of Securities Owned, Controlled or Directed			
Common Shares	Debentures	Options Held	
Nil	500*	5,000	

\*These debentures are convertible into 46,600 Common Shares at the option of the holder in accordance with the terms and provisions of the Debentures.

**Steven C. Grant**  
 Age: 67  
 Texas, USA  
 Director since 2008  
 Independent

Mr. Grant is an independent businessman who, prior to his retirement in February 2008, was a U.S. based Managing Director of Energy Investment Banking with Raymond James & Associates, a New York Stock Exchange ("NYSE") listed investment banking and brokerage firm, a position he held from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964.

Board/Committee Memberships		Meeting Attendance (2009)	
Board of Directors		9 of 10	90%
Audit Committee		4 of 4	100%
Compensation, Nomination and Governance Committee		4 of 4	100%
Other Public Company Board Memberships			
Horizon North Logistics Inc.			TSX
Western Energy Services Corp.			TSX
Number of Securities Owned, Controlled or Directed			
Common Shares	Debentures	Options Held	
2,000	Nil	Nil	

**Dennis J. Hoffman**  
 Age: 63  
 Alberta, Canada  
 Director since 2005  
 Independent

Mr. Hoffman is an independent businessman. He was formerly with Pricewaterhouse, a firm he joined in June 1970 and was admitted to the Partnership in 1982. Mr. Hoffman was appointed City Leader of Pricewaterhouse's Calgary office in 2001, a position which he held until his retirement in June 2005. Mr. Hoffman obtained his Bachelor of Commerce and Bachelor of Science degrees from the University of Saskatchewan in 1970. Mr. Hoffman is a member of the Canadian and Alberta Institutes of Chartered Accountants.

Board/Committee Memberships		Meeting Attendance (2009)	
Board of Directors		10 of 10	100%
Audit Committee, Chair		4 of 4	100%
Compensation, Nomination and Governance Committee		4 of 4	100%
Other Public Company Board Memberships			
Northern Property Real Estate Investment Trust			TSX
Rocky Mountain Dealerships Inc.			TSX
Number of Securities Owned, Controlled or Directed			
Common Shares	Debentures	Options Held	
5,000	Nil	5,000	

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**Stephen H. Lockwood, Q.C.**

Age: 54

Alberta, Canada

Director since 2005

Mr. Lockwood is the Co-Chief Executive Officer and President of Mullen Group. Prior to joining Mullen Group in 2004, Mr. Lockwood was a senior partner with a Calgary law firm that he co-founded. While practicing law Mr. Lockwood provided legal services to Mullen Group. Mr. Lockwood earned a Bachelor of Law degree from the University of Calgary in 1981 and a Bachelor of Commerce degree from the University of Alberta in 1978.

Board/Committee Memberships	Meeting Attendance (2009)	
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Board of Directors	10 of 10	100%
Audit Committee	N/A	
Compensation, Nomination and Governance Committee	N/A	

**Other Public Company Board Memberships**

None

Number of Securities Owned, Controlled or Directed		
Common Shares	Debentures	Options Held
370,044	100*	250,000

\*These debentures are convertible into 9,320 Common Shares at the option of the holder in accordance with the terms and provisions of the Debentures. In addition to Mr. Lockwood's holdings, his spouse and children own a total of 400 Debentures, which are convertible into 37,280 Common Shares.

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**Bruce W. Mullen**

Age: 51

British Columbia, Canada

Nominee Director

Mr. Bruce Mullen is an independent businessman with over 30 years of experience with the Mullen Group organization. Mr. Mullen joined Mullen Group in 1977 and held various positions throughout his career with Mullen Group. He was first appointed as a Vice President of Operations of Mullen Transportation Inc. (a predecessor to Mullen Group) in 1990 and held such position until May of 1997 when he was appointed a Senior Vice President. He held this position until May of 2009. In addition, Mr. Mullen held the position of Vice President of Mullen Oilfield Services L.P. from July 1, 2005 until March of 2010. Mr. Mullen was also a member of the board of Mullen Transportation Inc. from September 1986 to July 1, 2005. Mr. Mullen is currently a director of one of Mullen Group's indirectly, wholly-owned subsidiaries.

Board/Committee Memberships	2009 Meeting Attendance
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Board of Directors	Nominee
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**Other Public Company Board Memberships**

Horizon North Logistics Inc.	TSX
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Number of Securities Owned, Controlled or Directed		
Common Shares	Debentures	Options Held
747,300	Nil	225,000

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**Murray K. Mullen**  
 Age: 54  
 Alberta, Canada  
 Director since 1986

Mr. Murray Mullen is the Chairman of the Board and Chief Executive Officer of Mullen Group. Mr. Mullen joined the Mullen Group of companies in 1977 after graduating from the University of Calgary with a Bachelor of Arts (Economics) degree and has served in various capacities with Mullen Group, including the position of President and Chief Executive Officer, positions that he held from 1991 through September 2004. Mr. Mullen has been instrumental in the growth of Mullen Group, particularly in directing the many acquisitions completed over the years.

Board/Committee Memberships	2009 Meeting Attendance	
Board of Directors, Chairman	10 of 10	100%
Audit Committee	N/A	
Compensation, Nomination and Governance Committee	N/A	

**Other Public Company Board Memberships**

Shawcor Ltd.	TSX
Western Energy Services Corp.	TSX

Number of Securities Owned, Controlled or Directed		
Common Shares	Debentures	Options Held
2,495,278	1,750*	550,000

\*These debentures are convertible into 163,100 Common Shares at the option of the holder in accordance with the terms and provisions of the Debentures. In addition to Mr. Mullen's holdings, his spouse and children own a total of 750 Debentures, which are convertible into 69,900 Common Shares.

**Patrick G. Powell**  
 Age: 53  
 Alberta, Canada  
 Director since 2006  
 Independent

Mr. Powell is the Chairman of Bonnett's Energy Services Trust. He was previously the Co-Chief Executive Officer of Mullen Group, a position which he held from June 2006 through January 2007. He served as Chairman and President of Producers Oilfield Services Inc. from August 2005 through June 2006, Senior Vice President of Producers from May 2005 through August 2005 and prior thereto President of H.L. Powell Ltd., a private oilfield company that was acquired by Producers in April 2005.

Board/Committee Memberships	2009 Meeting Attendance	
Board of Directors	9 of 10	90%
Audit Committee	N/A	
Compensation, Nomination and Governance Committee	N/A	

**Other Public Company Board Memberships**

Bonnett's Energy Services Trust	TSX
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Number of Securities Owned, Controlled or Directed		
Common Shares	Debentures	Options Held
1,895,353	Nil	Nil

### *Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group is, as of the date of this Information Circular, or was within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group is, as of the date of this Information Circular, or has been within ten years before the date of this Information Circular, a director or executive officer of any 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. In addition, none of our directors (nor any personal holding company) or any such person has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of Mullen Group's knowledge, no director or executive officer of Mullen Group, or shareholder holding a sufficient number of securities of Mullen Group to affect materially the control of Mullen Group, has been subject to 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### *Penalties or Sanctions*

No proposed director or any personal holding companies of a proposed director of Mullen Group 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.

## **4. Appointment of Auditors**

Shareholders will consider an ordinary resolution to appoint the firm of KPMG LLP, Chartered Accountants, to serve as auditors of Mullen Group, until the next annual meeting of the shareholders and to authorize the directors of Mullen Group to fix their remuneration as such. The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to Mullen Group. KPMG LLP has been the auditors of Mullen Group, and its predecessors, since the initial public offering in 1993. Information regarding Mullen Group's Audit Committee, including the fees paid to Mullen Group's auditors in the last fiscal year, is contained in our 2009 AIF under the section entitled "Audit Committee Information", which section is incorporated by reference herein. A copy of the 2009 AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Management is soliciting proxies, in accordance with the accompanying form of proxy, in favour of the appointment of the firm of KPMG LLP, Chartered Accountants, as Mullen Group's auditors, to hold office until the next annual meeting of shareholders of Mullen Group and to authorize the directors to fix their remuneration.**

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## Compensation Disclosure and Analysis

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Beginning in late 2008 and during 2009, Mullen Group's senior management group, with the full support of the Board of Directors, designed and subsequently implemented a plan to mitigate the financial impact of the severe economic downturn on Mullen Group. This plan included: wage and hiring freezes, layoffs, work sharing, time-off without pay and suspension of the profit share plan. **As a result, certain components of the compensation philosophy set forth below, such as profit share, did not form part of Mullen Group's compensation practices for the 2009 financial year.** While the profit share component was suspended in 2009, it will be reinstated for the 2010 financial year. Mullen Group is in the process of designing a revised profit share plan to replace the plan that existed for the financial years prior to 2009.

### Compensation Philosophy

Mullen Group's compensation programs are designed to attract and retain high-quality individuals at all levels of the organization, maintain an entrepreneurial spirit by linking incentives to performance results and align the interests of senior management with those of shareholders. These programs offer compensation that is competitive with companies that are of similar size and operate in similar industries. However, the primary principle for all of Mullen Group's compensation programs is based upon the philosophy of pay for performance and as such the attainment of superior results is the ultimate objective.

Compensation is based upon an individual's role and responsibilities within the Mullen Group, the overall operating profitability of the business units and the long-term performance of the Mullen Group. The compensation framework encompasses the following components:

- competitive base salaries and benefits;
- annual cash incentives that focus on the financial performance of the business units and the Mullen Group, including annual return on invested capital thresholds; and
- an equity-based award that focuses on the long-term growth in shareholder value consisting of stock options for senior management.

### Named Executive Officers

The named executive officers (collectively, the "Executives") during 2009 were:

Name	Position	Service Date
Murray K. Mullen	Chairman and Chief Executive Officer	May 1, 1975
Stephen H. Lockwood	President and Co-Chief Executive Officer	September 1, 2004
David E. Olson	Chief Financial Officer and Vice President, Finance	September 1, 1984
Richard J. Maloney	Vice President, Safety & Loss Prevention	April 11, 2000
P. Stephen Clark	Vice President	December 1, 1997
Norman Shupe	Vice President, Operations	July 1, 1976

Messrs. Murray K. Mullen, Chairman and Chief Executive Officer and Stephen H. Lockwood, President and Co-Chief Executive Officer are referred throughout this Information Circular, collectively as the "Senior Executive Officers".

The compensation program for the Executives is based upon our overall compensation philosophy which is reviewed and ultimately approved by the Compensation, Nomination and Governance Committee (the "CNG Committee"). The CNG Committee believes that the combination of salary, cash incentives and equity-based compensation provides appropriate incentives for all Executives to deliver superior business performance and long-term shareholder returns. These programs offer a total compensation package that is, generally speaking, competitive with companies of similar size and scope in the two sectors of the economy that Mullen Group operates in – the oil and gas service industry; and the transportation and logistics sector - and is designed to compliment Mullen Group's corporate goals of achieving long-term superior performance in two specific areas: profitability and safety. As such, a significant component of the Executives' total compensation is determined by the overall performance of Mullen Group. Working closely with Mr. Mullen, the CNG Committee, comprised exclusively of independent directors, oversees Mullen Group's compensation programs to ensure that Executive compensation is aligned with Mullen Group's corporate goals.

The CNG Committee believes that the executive compensation program developed by Mullen Group provides shareholders with the best opportunity for superior returns. The program is based upon four primary objectives:

1. Attract and retain the best qualified people.
2. Provide annual incentives that reward the attainment by the business units of annual profit objectives.
3. Maximize the return on capital employed in the organization without taking undue balance sheet risk.
4. Strive for best-in-class safety performance using total claims to revenue, lost-time injury and significant incidents as the primary benchmarks.

### **Independent Consulting Services**

Neither Mullen Group nor the CNG Committee retained the services of an independent human resources consulting firm in 2009. In lieu of such services the CNG Committee, in consultation with Mr. Mullen, reviewed available public data and comparables on salaries, benefits and total overall compensation paid to senior executives and officers of companies of a comparable size that operate in the Canadian oil and natural gas service industry and the Canadian trucking industry. Mullen Group's approach to compensation is unique and is designed to work for Mullen Group by ensuring total compensation of each Executive is aligned with Mullen Group's four primary objectives.

### **Comparative Companies**

In 2009 the CNG Committee reviewed the executive compensation plans of a group of publicly traded companies and income trusts (the "**Peer Group**"). In reviewing this material the CNG Committee considered the following relative to that of Mullen Group:

- structure of the companies and income trusts
- number of employees
- annual revenues
- overall financial performance measured by profitability
- return on capital employed
- geographic coverage

Following this review the CNG Committee reviewed the detailed plan designed to mitigate the financial impact of a severe economic downturn on the Mullen Group as prepared by the Senior Executive Officers. In addition, the CNG Committee met with Mr. Mullen to consider his recommendation for 2009. Based on this information the CNG Committee determined that the compensations paid to each of the Executives, giving consideration to the respective roles and responsibilities was appropriate for Mullen Group. Notwithstanding their review, the CNG Committee supported the request of the Senior Executive Officers to alter their base salary for 2009. Mr. Mullen reduced his base salary to \$1.00, effective mid-April 2009, and Mr. Lockwood took a one month leave of absence without pay.

#### **Peer Group**

<b>Transportation/Logistics</b>	<b>Oilfield Services</b>
Contrans Income Fund	Enerflex Systems Income Fund
TransForce Income Fund	Flint Energy Services Ltd.
Vitran Corporation Inc.	ShawCor Ltd.
	Trican Well Services Ltd.

For the 2010 compensation year, it is the CNG Committee's intention to undertake a review of the executive compensation plans of a group of publicly traded companies, similar in size and scope as the Peer Group. At this time the public information related to the financial performance and executive compensation of such group has not been released. Once all relevant information has been released the data will be updated and submitted to the CNG Committee prior to any changes to the Senior Executive Officers' compensation programs for 2010.

### **Elements of Total Compensation**

The overall compensation program for the Executives is comprised of three primary components:

1. base salaries and benefits;
2. annual profit share; and
3. stock options (long-term incentive).

Mullen Group's approach is designed to provide Executives with an overall compensation package that rewards superior performance. To achieve this goal a significant portion of total compensation is weighted to the profitability of Mullen Group, which is based on the annual profits generated by the businesses in the Mullen Group and to the long-term performance of Mullen Group as determined by the share price appreciation through the issuance of options. **As highlighted above, profit share was suspended for the 2009 financial year.** Profit share, however, remains an integral part of Mullen Group's approach to executive compensation. As such it has been reinstated for the 2010 financial year. Mullen Group is still in the process of developing a new profit share plan to replace the plan that existed for financial years prior to 2009 that will take into account a number of factors including current economic conditions. The profitability of Mullen Group has been negatively impacted and as such this will result in lower profit share until the profitability of Mullen Group improves.

### **Base Salaries and Benefits**

In general, Mullen Group strives to set Executives' base salaries in the mid-range of comparable roles within the Peer Group. This is primarily due to Mullen Group's objective of pay for performance. Considerable discretion is exercised by the CNG Committee in establishing the overall compensation for the Senior Executive Officers. For example, Mr. Mullen's base salary of \$300,000 for 2009 was set substantially below industry standard at the request of Mr. Mullen. Mr. Lockwood's base salary is above industry standard but was negotiated when he joined Mullen Group in 2004 and then renegotiated in 2007. The CNG Committee also considers the specific role of the individual executive. Benefits provided by Mullen Group are generally similar to those of the Peer Group.

## **Annual profit share**

Prior to 2009, Mullen Group successfully utilized profit sharing as a means of rewarding individual performance and such was based on profitability and return on invested capital in the organization. Prior to the economic downturn, profit share was based upon a modified and simplified economic value added program, using returns on invested capital as the determining factor. Under such program, certain employees at each business unit in Mullen Group were eligible to receive profit share benefits based upon the profitability of their business unit to the extent that the returns on invested capital exceeded the minimum threshold of 13.5 percent. The Executives received annual profit share benefits based upon the collective performance of all business units. Under the plan, the Senior Executive Officers were entitled to receive a set percentage of the profit share pool. Specifically, Mr. Mullen was entitled to five percent of the entire profit share pool, while Mr. Lockwood's entitlement was four percent of such pool. At the CNG Committee's discretion, the aggregate amount of the profit share pool could be reduced based upon the overall safety performance of Mullen Group. Each year the CNG Committee reviews the profit share plan and the annual profit share allocation made by the Senior Executive Officers for the Executives and recommends to the Board the annual profit share amounts for the Senior Executive Officers. Mullen Group suspended the profit share element of compensation for the 2009 financial year due to the economic downturn. While the profit share element of compensation will be reinstated for the 2010 financial year, a revised profit share plan is being developed to replace the plan that existed for the financial years prior to 2009.

## **Option-Based Awards – Long-Term Incentives**

Mullen Group currently has one form of long-term incentive, being option based awards (the "Share Options") granted under its stock option plan (the "Stock Option Plan"), which plan was approved by Mullen Group's shareholders on May 1, 2009. Share Options are allocated to certain Executives under the terms of the Stock Option Plan as an incentive for retaining executives for the long-term and to align the long-term interests of Executives with those of Mullen Group's shareholders. The granting of options is approved by the Board after receiving a recommendation from the CNG Committee. Share Options generally vest over a three year period. The Senior Executive Officers and the CNG Committee review the previous grants of stock options prior to recommending new stock option grants. Further detailed information respecting the Stock Option Plan follows.

## **Details of the Stock Option Plan**

The Stock Option Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of Mullen Group and its affiliates to achieve the longer term objectives of Mullen Group, to give suitable recognition to the ability and efforts of those individuals who contribute materially to the success of Mullen Group and its affiliates, and to attract and retain in the employ of Mullen Group and its affiliate, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in Mullen Group.

The number of authorized but unissued Common Shares that may be subject to Share Options at any time, plus the number of Common Shares that have been issued on exercise of Share Options granted under the Stock Option Plan may not exceed 4,000,000 Common Shares, which at the date hereof is approximately five percent of the issued and outstanding Common Shares. In addition, the options granted under the Stock Option Plan shall not result at any time in:

- a. the number of Common Shares reserved for issuance pursuant to Share Options granted to insiders exceeding 10% of issued and outstanding Common Shares;
- b. the issuance to insiders within a one year period, of a number of Share Options exceeding 10% of the issued and outstanding Common Shares;
- c. the issuance to any one insider and such insider's associates, within a one year period, of a number of Common Shares exceeding five percent of the issued and outstanding Common Shares; or
- d. the number of Common Shares reserved for issuance pursuant to Share Options granted to non-management members of the Board, as a group, exceeding one percent of the issued and outstanding Common Shares.

The Stock Option Plan provides that the terms of the Share Options granted and the Share Option prices shall be fixed by the Board subject to the price and other restrictions imposed by the relevant regulatory authorities, but shall not be less than the market price. The market price is the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") for the five consecutive trading days immediately preceding the day of grant of a Share Option. Share Options granted under the Stock Option Plan are not assignable. Share Options granted under the Stock Option Plan may not be outstanding for a period longer than ten years, shall vest in such a manner as determined by the Board and the exercise price must be paid in full upon exercise of the Share Option. The administration and operation of the Stock Option Plan may be delegated by the Board to the CNG Committee.

Pursuant to agreements entered into with each optionholder, if an optionholder ceases to be a director, officer, employee, consultant or other personnel of Mullen Group and its affiliates for any reason, the optionee will have a period as prescribed at the time of grant, but not to exceed six months from ceasing to be a director, officer, employee, consultant or other personnel of Mullen Group and its affiliates to exercise options held to the extent that the optionee was entitled to exercise the options at the date of such cessation. In the event of death of the optionee, options previously granted are exercisable for a period determined at the time of grant not to exceed of six months next succeeding such death to the extent that the optionee was entitled to exercise the option at the date of death. The Board may at any time discontinue the Stock Option Plan and, subject to applicable regulatory approval, may amend the terms of the Stock Option Plan, provided that no amendment may be made without the consent of an optionee, if it alters or impairs any option previously granted to such optionee under the Stock Option Plan. As at February 28, 2010, an aggregate of 1,155,000 Share Options have been granted.

### *Rollover Options of Mullen Group Income Fund*

Prior to giving effect to the Corporate Arrangement, the Fund had established a Trust Unit Option Plan, substantially in the form of the Stock Option Plan, which provided for the grant of options to acquire Trust Units (the "Trust Options") to provide an incentive to the directors, officers and employees of the Fund and its affiliates. Pursuant to the Corporate Arrangement, Mullen Group assumed the obligations of the Fund in respect of the outstanding Trust Options. On May 1, 2009, there were 2,825,000 Trust Options issued and outstanding. Upon exercise of outstanding Trust Options, holders will receive the number of Common Shares equal to the number of Trust Units they would have otherwise been entitled to receive in accordance with the Trust Unit Option Plan. The Trust Options are governed by the Trust Unit Option Plan which has substantially the same terms and provisions as the Stock Option Plan, except that (i) the Trust Options can be only be exercised within a 5 year period from the date that the original grant was made by the Fund to the optionee, and (ii) any options that are cancelled, cease to exist. As at February 28, 2010, 1,787,500 Trust Options remain outstanding. The majority of the Trust Options will expire on July 19, 2010.

### *Rollover Options of Producers Oilfield Services Inc.*

In addition to the Trust Unit Option Plan, the Fund issued Trust Options to certain employees of Producers Oilfield Services Inc. on June 1, 2006, pursuant to the terms and provisions of an arrangement agreement and plan of arrangement among the Fund, Producers Oilfield Services Inc. and others. Pursuant to such arrangement, among other things, the outstanding options to purchase shares of Producers Oilfield Services Inc. were exchanged for Trust Options (the "**POS Rollover Options**"). The POS Rollover Options are governed by the same terms and provisions of the Trust Unit Option Plan, except that the Producers Rollover Options can be exercised within a 10 year period from the date that the original grant was made by Producers Oilfield Services Inc. to the optionee. Any options that are cancelled, cease to exist. As at February 28, 2010, 238,449 POS Rollover Options remain outstanding.

### **Equity Compensation Plan Information**

The following table outlines the number of Common Shares issuable upon the exercise of outstanding rights, the weighted average exercise price of outstanding rights and the number of Common Shares available for further issuance under the Stock Option Plan, the Trust Options and the POS Rollover Options as of December 31, 2009.

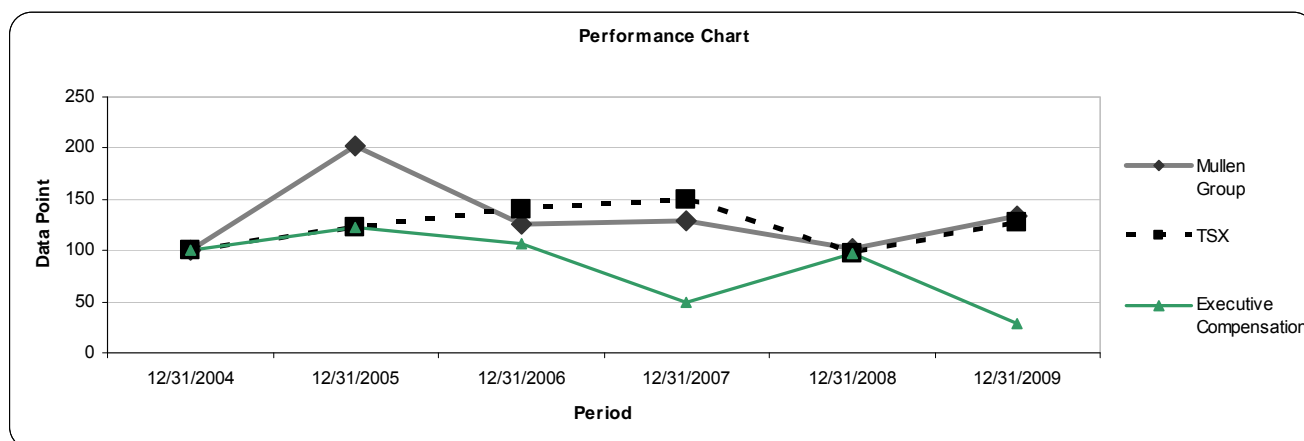
Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
		(a)	(b)	(c)
Equity compensation plans approved by securityholders	Stock Option Plan	Nil <sup>(1)</sup>	N/A <sup>(1)</sup>	4,000,000 <sup>(1)</sup>
	Trust Options	1,787,500	19.35	Nil
	POS Rollover Options	239,931	17.97	Nil
Equity compensation plans not approved by securityholders		N/A	N/A	N/A
<b>Total</b>		<b>2,027,431</b>		<b>4,000,000</b>

Note:

- (1) Does not include the 1,175,000 stock options issued on January 13, 2010.

## Performance Graph

The common shares of Mullen Transportation Inc. were listed on the TSX in December 1993. On July 1, 2005, Mullen Transportation Inc. converted from a company to the Fund and the Fund's Trust Units were listed on the TSX in substitution for such common shares. Effective May 1, 2009, the Fund completed the Corporate Arrangement which resulted in Mullen Group's Common Shares being listed on the TSX in substitution for the Trust Units. The following table and graph illustrate the five year cumulative return of the Fund's Trust Units or Mullen Group's Common Shares, as the case may be, at the end of each financial year, assuming an initial investment of \$100 on December 31, 2004, compared to the S&P/TSX Composite Index, assuming the reinvestment of all declared dividends and distributions where applicable. The table also illustrates the annual investment in executive compensation for the named executive officers reported in each of those years.



	2004	2005	2006	2007	2008	2009
Mullen Group <sup>(1)(2)</sup>	100	203	126	129	102	134
S&P/TSX Total Return Composite Index	100	122	140	150	97	127
Executive Compensation <sup>(3)</sup>	100	123	106	50	97	28

### Notes:

- (1) The Fund's Trust Units were delisted from the TSX at the opening on May 8, 2009. Mullen Group's Common Shares were listed for trading on the TSX in substitution for those Trust Units at the opening on May 8, 2009. The data presented has been adjusted to reflect the three for one stock split undertaken pursuant to the Trust Conversion Arrangement completed on July 1, 2005.
- (2) The Fund's cumulative value has been adjusted for the distribution of the Horizon North Logistics Inc. common shares to holders of Trust Units by way of plan of arrangement on June 1, 2006.
- (3) The amounts represent the annual aggregate cost of executive compensation for the named executive officers reported for each of these years. This includes base salary, actual incentive payments and long-term incentives value. The compensation value of long-term incentives was derived through applying the calculated Black-Scholes option value of the exercise price for all options granted in any year.

## Summary

Mullen Group's compensation programs and philosophy were developed many years ago as a means to support the growth, diversification and long-term success of a public organization. The framework emphasizes the retention of executives as a key element in the performance of Mullen Group along with the strategy of maintaining a decentralized business model where the business units owned by the Mullen Group are incented to generate superior profitability and returns on capital employed and at the same time operate the business safely. The CNG Committee will continue to monitor these programs in recognition of the dynamic and changing market to ensure total compensation of the Executives is in the best interest of shareholders and is aligned with Mullen Group's four primary objectives.

# Compensation of Named Executive Officers

## Executive Summary Compensation Table

<b>2009 Summary Compensation Table</b>									
Name and Principal Position	Year	Non-equity incentive plan compensation							
		Salary	Share-based awards	Option-based awards	Annual incentive plans	Long-term incentive plans	Pension value	All other Compensation	Total Compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Murray K. Mullen, Chairman and Chief Executive Officer	2009	92,308 <sup>(1)</sup>	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	29,045 <sup>(3)</sup>	\$123,853 <sup>(4)</sup>
	2008	300,000	N/A	244,640 <sup>(5)</sup>	1,250,000 <sup>(6)</sup>	N/A	N/A	Nil	\$1,797,140
Stephen H. Lockwood, President and Co-Chief Executive Officer	2009	807,692 <sup>(7)</sup>	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	Nil	\$810,192 <sup>(4)</sup>
	2008	840,000	N/A	97,856 <sup>(5)</sup>	1,000,000 <sup>(6)</sup>	N/A	N/A	Nil	\$1,940,356
David E. Olson, Chief Financial Officer and Vice President, Finance	2009	150,000	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	Nil	\$152,500 <sup>(4)</sup>
	2008	150,000	N/A	9,786 <sup>(5)</sup>	250,000 <sup>(6)</sup>	N/A	N/A	Nil	\$412,286
Richard J. Maloney, Vice President, Safety & Loss Prevention	2009	120,000	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	Nil	\$122,500 <sup>(4)</sup>
	2008	120,000	N/A	N/A	140,000 <sup>(6)</sup>	N/A	N/A	Nil	\$262,500
P. Stephen Clark, Vice President	2009	120,000	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	Nil	\$122,500 <sup>(4)</sup>
	2008	120,000	N/A	N/A	140,000 <sup>(6)</sup>	N/A	N/A	Nil	\$262,500
Norman Shupe, Vice President, Operations	2009	120,000	N/A	N/A	2,500 <sup>(2)</sup>	N/A	N/A	Nil	\$122,500 <sup>(4)</sup>
	2008	120,000	N/A	N/A	90,000 <sup>(6)</sup>	N/A	N/A	Nil	\$212,500

**Notes:**

- (1) The base salary of Mr. Mullen was reduced at his request effective mid-April 2009, to \$1.00 for the balance of 2009. This request resulted from the economic downturn and the cost-cutting measures which were implemented in Mullen Group. Mr. Mullen has indicated that his base salary will remain at \$1.00 for the 2010 financial year.
- (2) Employment bonus earned. All employees of Mullen Group are eligible for an annual employment bonus in the amount of \$2,500, provided the employee meets the parameters of the employment bonus program.
- (3) Includes annual membership fees of \$23,500 (U.S.) converted into Canadian dollars at \$1.22.
- (4) The total compensation paid was reduced significantly in 2009 as a result of profit share being suspended in light of the economic downturn.
- (5) In March 2008, the directors granted option-based awards to Messrs. Mullen, Lockwood and Olson at a strike price equal to the five-day weighted average of the Trust Units for the five trading days immediately preceding the date of grant. In granting these option-based awards, the Board did not assign a specific value which it intended to award as compensation. The dollar value set forth represents the accounting fair value calculated by Mullen Group as at the date of grant in accordance with the Black-Scholes methodology set forth in The Canadian Institute of Chartered Accountant's Handbook.
- (6) 2008 profit share entitlement.
- (7) The base salary of Mr. Lockwood was reduced, at his request, effective May 2009, by virtue of Mr. Lockwood taking a one month leave of absence without pay. This request resulted from the economic downturn and the cost-cutting measures which were implemented in Mullen Group. Mr. Lockwood's base salary was reinstated to the original 2008 levels on January 1, 2010.

## Discussion of Executives' 2009 Compensation

For 2009, the Senior Executive Officers reviewed the respective roles and responsibilities of the other Executives and determined that:

- their base salaries were appropriate and no changes were required;
- there would be no profit share in light of the suspension of the Mullen Group profit share plan for 2009; and
- the award of bonuses or other compensation for 2009 would be determined at the end of 2009.

During 2009 the CNG Committee reviewed market data on companies and income trusts of similar size, scope and geographic region as Mullen Group. Based upon this data and giving consideration to Mullen Group's historical performance and Mullen Group's overall compensation philosophy, the CNG Committee recommended to the Board the total compensation awards for the Senior Executive Officers for 2009, each of whom own a significant number of Common Shares. This recommendation took into account the suspension of Mullen Group's profit share plan for 2009.

Mr. Murray Mullen, Chairman of the Board and Chief Executive Officer, has been a key architect of Mullen Group's overall business strategy and subsequent growth since 1993, the year Mullen Transportation Inc. became a public company. A significant portion of Mr. Mullen's overall compensation is weighted to the overall profitability of each business unit operating within the Mullen Group. He is entitled to receive a profit share amount equal to five percent of the total profit share pool generated by all the business units.

Mr. Mullen's base salary for 2008 was \$300,000. Mr. Mullen did not receive an increase to his base salary during 2008, however the Board granted 250,000 stock options to Mr. Mullen in March, 2008 at a \$16.91 strike price. Mr. Mullen's base salary for 2009, as approved by the Board, remained at \$300,000. However, at Mr. Mullen's request, and as accepted by the Board, his salary was reduced to \$1.00 in mid-April 2009, for the balance of 2009, due to the economic downturn and cost cutting measures implemented in the Mullen Group. Mr. Mullen has indicated that his base salary will remain at \$1.00 for the 2010 financial year. The profit share plan for Mullen Group was suspended for 2009, therefore Mr. Mullen did not receive any profit share for 2009. Under profit share for the year ended December 31, 2008, the business units generated a total profit share pool of \$28.7 million, but due to certain business units not achieving an acceptable return on investment capital, the CNG Committee reduced the profit share pool to \$25.0 million and, as such, Mr. Mullen received five percent of the \$25.0 million, an amount equal to \$1.25 million. During 2008 Mullen Group reported record revenues and operating profits, maintained the \$1.80 per unit distribution to Mullen Group securityholders and achieved acceptable safety performance during the year. The CNG Committee, therefore, recommended Mr. Mullen receive his 2008 profit share allocation of \$1.25 million. The Board approved the recommendation.

Mr. Stephen Lockwood, President and Co-Chief Executive Officer, joined Mullen Group in 2004. On September 1, 2007, Mr. Lockwood's base salary was adjusted to \$840,000 per annum. Mr. Lockwood received no increase in his annual base salary in 2008, however the Board granted 100,000 stock options to Mr. Lockwood in March, 2008 at a \$16.91 strike price. Mr. Lockwood's base salary for 2009, as approved by the Board, remained at \$840,000. At Mr. Lockwood's request, and as accepted by the Board, his salary was adjusted in May 2009 to take into account a one month leave of absence without pay due to the economic downturn and cost cutting measures implemented in the Mullen Group. Mr. Lockwood's base salary was reinstated to \$840,000 on January 1, 2010. The profit share plan in Mullen Group was suspended for 2009, therefore Mr. Lockwood did not receive any profit share for 2009. For the year ended December 31, 2008, Mr. Lockwood's profit share entitlement was four percent of the \$25.0 million profit share pool, an amount equal to \$1.0 million. Mullen Group reported record revenues and operating profits during 2008, maintained the \$1.80 per unit distribution to Mullen Group securityholders and achieved acceptable safety performance during the year. The CNG Committee, therefore, recommended Mr. Lockwood receive his 2008 profit share allocation of \$1.0 million. The Board approved the recommendation.

For 2010, as has been the case in prior years, Mr. Mullen, Chairman of the Board and Chief Executive Officer, will provide his compensation recommendations to the CNG Committee for the Executives. The CNG Committee will review Mr. Mullen's recommendations, together with all relevant data of the Peer Group, industry practices and take into consideration the changing economic situation prior to determining the changes, if any, to be made to their 2010 compensation.

## **Incentive Plan Awards**

During 2009, Mullen Group did not provide the Executives with long-term incentive awards. However, on January 13, 2010, Mullen Group's Board determined that it would be appropriate to grant Share Options to certain management employees as either a long-term incentive or in recognition of performance during the 2009 financial year. These grants included certain Executives, namely Messrs. Maloney, Clark and Shupe. Such Executives were granted option-based awards at a strike price equal to the five-day weighted average of the Common Shares for the five trading days immediately preceding the date of grant. In granting these option-

based awards, the Board did not assign a specific value which it intended to award as compensation. The previous grants of options were not taken into account in granting these new options.

### **Executives' Outstanding Share-Based Awards and Option-Based Awards**

Mullen Group does not have share-based awards. The following table sets forth all option-based awards outstanding at the end of the year ended December 31, 2009 for each Executive.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Murray K. Mullen Chairman and Chief Executive Officer	300,000 <sup>(1)</sup> 250,000	19.91 16.91	July 19, 2010 March 10, 2013	Nil <sup>(2)</sup> Nil <sup>(2)</sup>	N/A	N/A
Stephen H. Lockwood, President and Co-Chief Executive Officer	150,000 <sup>(3)</sup> 100,000	19.91 16.91	July 19, 2010 March 10, 2013	Nil <sup>(2)</sup> Nil <sup>(2)</sup>	N/A	N/A
David E. Olson, Chief Financial Officer and Vice President, Finance	112,500 <sup>(4)</sup> 10,000	19.91 16.91	July 19, 2010 March 10, 2013	Nil <sup>(2)</sup> Nil <sup>(2)</sup>	N/A	N/A
Richard J. Maloney, Vice President, Safety & Loss Prevention	20,000	19.91	July 19, 2010	Nil <sup>(2)</sup>	N/A	N/A
P. Stephen Clark, Vice President	20,000	19.91	July 19, 2010	Nil <sup>(2)</sup>	N/A	N/A
Norman Shupe, Vice President, Operations	10,000	19.91	July 19, 2010	Nil <sup>(2)</sup>	N/A	N/A

Note:

- (1) On July 19, 2005, Mr. Mullen was granted 600,000 options at the strike price of \$19.91. Of those options, 300,000 options had a performance goal component attached to the vesting rights, which was tied to the aggregate amount of distributions paid to the Fund's unitholders over a four year period. As the Fund ceased distributions in 2009 in preparation for the Corporate Arrangement, the performance goal was not achieved and 300,000 of the 600,000 options expired in accordance with their terms.
- (2) Calculated based on the difference between the market price of the Common Shares (\$16.35) at December 31, 2009 and the exercise price of the options.
- (3) On July 19, 2005, Mr. Lockwood was granted 300,000 options at the strike price of \$19.91. Of those options, 150,000 options had a performance goal component attached to the vesting rights, which was tied to the aggregate amount of distributions paid to the Fund's unitholders over a four year period. As the Fund ceased distributions in 2009 in preparation for the Corporate Arrangement, the performance goal was not achieved and 150,000 of the 300,000 options expired in accordance with their terms.
- (4) On July 19, 2005, Mr. Olson was granted 225,000 options at the strike price of \$19.91. Of those options, 112,500 options had a performance goal component attached to the vesting rights, which was tied to the aggregate amount of distributions paid to the Fund's unitholders over a four year period. As the Fund ceased distributions in 2009 in preparation for the Corporate Arrangement, the performance goal was not achieved and 112,500 of the 225,000 options expired in accordance with their terms.

### **Option Repricing**

Mullen Group did not reprice any options during the 2009 fiscal year.

## **Executives' Incentive Plan Awards – Value Vested or Earned During the Year**

Mullen Group does not have any share-based awards. The only incentive plan award provided to the Executives are Share Options and the following table sets forth, for each Executive, the value of option-based awards, which vested during the year ended December 31, 2009 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2009.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Murray K. Mullen Chairman and Chief Executive Officer	Nil <sup>(1)</sup>	N/A	2,500 <sup>(2)</sup>
Stephen H. Lockwood, President and Co-Chief Executive Officer	Nil <sup>(1)</sup>	N/A	2,500 <sup>(2)</sup>
David E. Olson, Chief Financial Officer and Vice President, Finance	Nil <sup>(1)</sup>	N/A	2,500 <sup>(2)</sup>
Richard J. Maloney, Vice President, Safety & Loss Prevention	None vested during 2009	N/A	2,500 <sup>(2)</sup>
P. Stephen Clark, Vice President	None vested during 2009	N/A	2,500 <sup>(2)</sup>
Norman Shupe, Vice President, Operations	None vested during 2009	N/A	2,500 <sup>(2)</sup>

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options on the vesting date.
- (2) Employment bonus earned. All employees of Mullen Group are eligible for an annual employment bonus in the amount of \$2,500, provided the employee meets the parameters of the employment bonus program.

## **Executives' Pension Plan Benefits**

Mullen Group does not have a defined benefit or actuarial plan.

## **Executives' Termination and Change of Control Benefits**

Mullen Group does not have any formal employment contracts with its Executives. However, in certain circumstances there are memorandums on file, which outline the basic terms of the employment relationship between an Executive and Mullen Group.

Mullen Group has no agreement or arrangement with any Executive for the payment of compensation in the case of resignation, retirement or termination of employment, a change of control of Mullen Group or its business units or a change in an Executive's responsibilities following a change of control.

## Director Compensation

Directors' compensation is reviewed annually by the CNG Committee and recommendations are made to the Board following a review of market data from the Peer Group. The Board did not increase directors' fees in 2009.

Directors are remunerated for services rendered in their capacity as directors by way of a combination of retainer fees and meeting attendance fees. Prior to 2008, directors were entitled to receive option grants as part of their remuneration. In 2008, the Board determined that option grants would no longer form part of the unrelated directors' remuneration. Directors' fees were not increased during 2009.

While the Senior Executive Officers are also directors of Mullen Group, those individuals are considered "Related Directors" and, as such, do not receive compensation for their services on the Board. Each unrelated director is entitled to be reimbursed for all reasonable out-of-pocket expenses incurred incidental to attending a Board or committee meeting.

2009 Directors Fees	
Annual Board Retainer <sup>(1) (2)</sup>	\$40,000.00
Director Meeting Fees:	
In Person	\$1,200.00
By Telephone	\$ 900.00
Annual Committee Retainers:	
Chair	\$5,000.00
Member	\$3,000.00
Committee Meeting Fees:	
Chair	\$1,200.00
Member	\$1,000.00

Notes:

- (1) The Annual Board Retainer fee includes short board meetings held by telephone.
- (2) This fee is paid semi-annually.

## Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2009, information concerning the compensation paid to Mullen Group's non-management directors.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alan Archibald	57,300	N/A	N/A	N/A	N/A	Nil	57,300
Greg Bay	57,600	N/A	N/A	N/A	N/A	Nil	57,600
Dennis Hoffman	61,200	N/A	N/A	N/A	N/A	Nil	61,200
Richard Peterson	46,900	N/A	N/A	N/A	N/A	Nil	46,900
Patrick Powell	46,900	N/A	N/A	N/A	N/A	Nil	46,900
Bruce Simpson	60,500	N/A	N/A	N/A	N/A	Nil	60,500
Steve Grant	57,200 (USD)	N/A	N/A	N/A	N/A	Nil	57,200 (USD)

## **Directors' Outstanding Option-Based Awards and Share-Based Awards**

Mullen Group does not have share-based awards. The following table sets forth all option-based awards outstanding at the end of the year ended December 31, 2009 for each of Mullen Group's non-management directors.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Alan Archibald	5,000	19.91	July 19, 2010	Nil	N/A	N/A
Greg Bay	5,000	19.91	July 19, 2010	Nil	N/A	N/A
Dennis Hoffman	5,000	19.91	July 19, 2010	Nil	N/A	N/A
Richard Peterson	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Powell	N/A	N/A	N/A	N/A	N/A	N/A
Bruce Simpson	5,000	19.91	July 19, 2010	Nil	N/A	N/A
Steve Grant	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) Calculated based on the difference between the market price of the Common Shares (\$16.35) at December 31, 2009 and the exercise price (\$19.91) of the options.

## **Directors' Incentive Plan Awards – Value Vested or Earned During the Year**

Mullen Group does not have share-based awards. None of the non-management directors earned any non-equity incentive compensation during the year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alan Archibald	Nil	N/A	N/A
Greg Bay	Nil	N/A	N/A
Dennis Hoffman	Nil	N/A	N/A
Richard Peterson	N/A	N/A	N/A
Patrick Powell	N/A	N/A	N/A
Bruce Simpson	Nil	N/A	N/A
Steve Grant	N/A	N/A	N/A

Note:

- (1) Calculated based on the difference between the market price of the Common Shares (\$12.42) on the vesting date and the exercise price of the options (\$19.91) on the vesting date.

## **Indebtedness of Directors and Executive Officers**

None of the directors, Executives, employees, or former directors, officers or employees of Mullen Group nor any of their associates or affiliates, is now or has been indebted to Mullen Group or any of its subsidiaries since the commencement of the last completed fiscal year, nor is, or at any time since the beginning of the most recently completed financial year of Mullen Group has, any indebtedness of any such person been subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Mullen Group or any of its subsidiaries.

# Corporate Governance Disclosure

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires reporting issuers to disclose their corporate governance practices with reference to a series of guidelines for effective corporate governance (the "**Corporate Governance Guidelines**") set forth in National Policy 58-201 – *Corporate Governance Guidelines*. The Board has established corporate governance practices which it believes are appropriate for Mullen Group and substantially meet the requirements of the Corporate Governance Guidelines, as reflected in the information below. **The information set forth below is a summary of Mullen Group's corporate governance practices for the 2009 financial year.**

## General

Mullen Group is a corporation, incorporated pursuant to the laws of the province of Alberta. The business of Mullen Group is operated through its 25 business units, each of which is operated as a separate business unit accountable for its own performance and profitability. While the day-to-day operations of the business units are the responsibility of the management team of each business unit, Mullen Group provides these entities with centralized banking and financial expertise, management services and technology and systems support, roles consistent with what is commonly known as a "Head Office". The business of Mullen Group is overseen by the Board and its committees.

## Board of Directors

The primary responsibility of the Board is to foster the long-term success of Mullen Group consistent with its fiduciary responsibility to the shareholders to maximize shareholder value. The Board of directors is responsible for the management of Mullen Group's business and its affairs. During 2009 the Board was comprised of nine members, the majority of whom were independent. The Board held six regularly scheduled meetings and four meetings called to address specific business matters. The independent directors meet in-camera at the end of each regularly scheduled Board meeting to ensure that all issues are addressed by the independent board members. The members from both Board committees meet in-camera following each regular committee meeting. In addition, the Audit Committee meets in-camera, individually with each of the external auditors, the Chairman, the Co-Chief Executive Officer and the Chief Financial Officer. Additional meetings of the independent directors may be held from time to time if required.

### *Independence*

In determining a director's independence Mullen Group refers to the National Instruments and, in particular, the "*Meaning of Independence*" set forth in National Instrument 52-110 - *Audit Committees*. The following table sets forth the relationship of the current directors to Mullen Group as determined for the 2009 year:

Director	Independent	Not Independent	Reason for Not Independent Status
Alan Archibald	√		
Greg Bay	√		
Steve Grant	√		
Dennis Hoffman	√		
Stephen Lockwood		√	President and Co-Chief Executive Officer.
Murray Mullen		√	Chairman of the Board and Chief Executive Officer.
Patrick Powell		√ <sup>(1)</sup>	Former Co-Chief Executive Officer.
Richard Peterson		√ <sup>(1)</sup>	Former Chief Executive Officer of Producers Oilfield Services Inc., a company acquired by Mullen Group in June of 2006.
Bruce Simpson	√		

Note:

(1) Effective January 2010, Messrs. Powell and Peterson were considered independent within the meaning of National Instrument 52-110.

### Other Directorships

The Board has not adopted a formal policy limiting the number of outside directorships of Mullen Group's directors. Several of Mullen Group's directors are presently directors of other reporting issuers (or the equivalent), the details of which are set forth in the table below. The directors who serve together on other boards are Messrs. Mullen and Grant who sit as directors of Western Energy Services Corp.; and Messrs. Grant and Peterson who sit as directors of Horizon North Logistics Inc. Mullen Group does not believe that these interlocking board relationships impact on the ability of these directors to act in the best interests of Mullen Group.

Director	Names of Other Reporting Issuers	Exchange
Alan Archibald	None	N/A
Greg Bay	Fairborne Energy Ltd. Bellamont Exploration Ltd.	TSX TSX Venture Exchange
Steve Grant	Horizon North Logistics Inc. Western Energy Services Corp.	TSX TSX Venture Exchange
Dennis Hoffman	Northern Property Real Estate Investment Trust Rocky Mountain Dealerships Inc.	TSX TSX
Stephen Lockwood	None	N/A
Murray Mullen	Shawcor Ltd. Western Energy Services Corp.	TSX TSX Venture Exchange
Patrick Powell	Bonnett's Energy Services Trust	TSX
Richard Peterson	Horizon North Logistics Inc.	TSX
Bruce Simpson	None	N/A

### Meeting Attendance

The following table summarizes the number of meetings held by the Board and its committees during 2009 and the attendance of individual directors of Mullen Group at such meetings.

Director	Board	CNG Committee	Audit Committee
Alan Archibald	9 of 10	3 of 4	4 of 4
Greg Bay	9 of 10	4 of 4	4 of 4
Steve Grant	9 of 10	4 of 4	4 of 4
Dennis Hoffman	10 of 10	4 of 4	4 of 4
Stephen Lockwood	10 of 10	N/A	N/A
Murray Mullen	10 of 10	N/A	N/A
Patrick Powell	9 of 10	N/A	N/A
Richard Peterson	10 of 10	N/A	N/A
Bruce Simpson	10 of 10	4 of 4	4 of 4

### The Position of the Chairman

The Chairman of the Board, Murray K. Mullen, is not an independent director. While Mullen Group does not have a Chairman independent of management, the Board is confident that it has in place proper procedures to enable it to function independently of management. The Board has not appointed a lead director. The Board is comprised of a majority of independent directors who meet in-camera at the end of each regularly scheduled Board meeting and committee meeting to ensure that all issues are addressed by the independent board members.

## **Board Mandate**

The full text of the Board's written mandate is attached to this Information Circular as Schedule "A".

## **Board Committees**

The Board has two committees, being the Audit Committee and the CNG Committee. The committees are comprised solely of independent directors.

### *CNG Committee:*

The CNG Committee is comprised of Messrs. Alan Archibald, Chairman, Greg Bay, Steve Grant, Dennis Hoffman and Bruce Simpson, all of whom are independent directors. Mr. Simpson was the Chairman of this committee until November 2009, at which time he announced his intention not to stand for election at the 2010 annual general meeting of Mullen Group. Mr. Simpson requested that a new Chairman be appointed at that time to ensure the proper succession of such position.

The mandate of Mullen Group's CNG Committee, as set forth in its written mandate, is to assist the Board in fulfilling its responsibilities by reviewing and making recommendations regarding Mullen Group's compensation policies and practices; to ensure a plan of continuity and development of senior management; to assess and make recommendations regarding Board effectiveness; and to establish a process for identifying, recruiting and appointing directors. The CNG Committee develops and monitors Mullen Group's overall approach to corporate governance issues and, subject to approval by the Board, implements and administers the system. It also monitors governance issues and prepares recommendations for the Board regarding any reports or disclosure required or recommended on corporate governance (e.g. public disclosure required to meet corporate governance guidelines).

During 2009 the CNG Committee met four times and addressed the following fundamental matters, namely:

- 2008 Profit Share Allocations;
- Executive and Director Compensation Review;
- Succession Planning;
- Board and Director Evaluations;
- Mullen Group policy reviews;
- Board Manual review; and
- The CNG Committee Terms of Reference.

The CNG Committee meets in-camera after each meeting to ensure itself that all issues have been adequately addressed.

### *Audit Committee:*

The Audit Committee is comprised of Messrs. Dennis Hoffman, Chairman, Alan Archibald, Greg Bay, Steve Grant, and Bruce Simpson, all of whom are independent directors. The mandate of Mullen Group's Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing the financial information provided to Mullen Group's shareholders and other interested parties, the financial control systems established by management and the audit process.

During 2009 the Audit Committee met four times and addressed the following fundamental matters, namely:

- The external auditors' Annual and Quarterly Audit Findings Reports and the 2009 Audit Plan Report;
- Annual and Interim Financial Reports, together with Management's Discussion and Analysis thereon and related press releases;
- The 2008 Annual Information Form;
- Mullen Group's internal control systems;
- Whistleblower Reports , of which no material reports were identified;
- Chief Financial Officer Succession Planning; and
- The Audit Committee's Terms of Reference.

The Audit Committee meets separately with the Auditors, and with each of Messrs. Mullen, Lockwood and Olson (Mullen Group's Chief Financial Officer) and in-camera after each meeting to ensure itself that all issues have been adequately addressed.

The Canadian Securities Administrators' Audit Committee Rules include requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit related matters. For detailed information related to Mullen Group's Audit Committee, reference is made to the section entitled "Audit Committee Information" of Mullen Group's AIF, which is available on SEDAR at [www.sedar.com](http://www.sedar.com), our website at [www.mullen-group.com](http://www.mullen-group.com) or on request, free of charge, from our Investor Services group, [ir@mullen-group.com](mailto:ir@mullen-group.com).

## Position Descriptions

The Board has developed written position descriptions for the Chairman of the Board and Chief Executive Officer, the President and Co-Chief Executive Officer, individual directors, the Board and each of its two committees. Each committee is comprised of independent directors and the terms of reference for each committee are reviewed annually to evaluate the effectiveness in discharging the duties specified in each committee's terms of reference. The CNG Committee periodically reviews the terms of reference for the Chairman of the Board and Chief Executive Officer, the President and Co-Chief Executive Officer, the Board and the individual directors and makes recommendations to the Board as required.

## Orientation and Continuing Education

While no formal orientation and education program for new directors has been required from a historical perspective, the Board put in place a Board Manual which is reviewed periodically by the CNG Committee. The Manual assists the directors in carrying out their duties including setting out the role of the Board, the role of its committees and the contribution individual directors are expected to make. The directors are invited to participate in Mullen Group's annual budgeting meetings with its business units, which gives them the opportunity to meet with management of Mullen Group's operating entities. In addition, each director receives a comprehensive package of information materials in advance of each Board or committee meeting. The directors are encouraged to participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters.

## Ethical Business Conduct

The Board has adopted a Code of Ethics and Conduct (the "**Code**") for directors, officers and employees. A copy of the Code is available on SEDAR or by request to our Investor Services group at [ir@mullen-group.com](mailto:ir@mullen-group.com). All employees, including the directors, are provided with a copy of the Code and are expected to conduct their business affairs in a manner that ensures their private or personal interests do not interfere with the interests of Mullen Group. Employees are encouraged to read the Code and disclose any conflicts, or potential conflicts,

they feel may exist. The President discusses any conflict, or potential conflict, with employees. There were no material change reports filed during 2009 that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Any director with a material interest in a transaction or agreement being considered by the Board is required to declare such conflict, excuse themselves from the directors' meeting when the transaction or agreement is being considered and abstain from voting with respect to such transaction or agreement.

Executive officers are to disclose any material interest in a transaction or agreement being considered by the Board. Such executive officers would not be present during the directors' meeting at which such transaction is being considered.

In addition to the Code, the Board has also implemented a Whistleblower Policy. Employees of Mullen Group are provided with the information by which means they may raise concerns in a confidential, anonymous process. Senior management advocates an open door policy and are available to discuss any issues or potential issues at anytime. There were no significant material issues identified during 2009.

## **Nominations**

The CNG Committee develops and annually reviews a long term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of Mullen Group. The CNG Committee is responsible for identifying and recruiting new candidates for nomination to the Board. The CNG Committee then recommends the candidates to the Board for approval. In making such recommendation, the CNG Committee identifies the competencies and skills necessary for the Board as a whole and then identifies candidates with the required expertise.

## **Compensation**

We refer you to the information set forth under the heading "Compensation Disclosure and Analysis" of this Information Circular for information relating to Mullen Group's compensation practices.

## **Assessments**

The CNG Committee establishes and administers the process for assessing the effectiveness of the Board as a whole, the committees of the Board, as well as individual directors of the Board. The annual evaluation process is designed to provide directors with an opportunity to evaluate how the Board is operating and to make suggestions for improvement and is designed primarily to provide constructive input for the improvement of the Board "as a whole or as a unit". A questionnaire, which is completed by each director, analyzes the organization and performance of the Board against the description of the Board duties and responsibilities and provides an opportunity for each director to evaluate his or her own performance. The results are summarized by the CNG Committee Chairman and reported to the Board.

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

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During the past three years, there have been no material interests, direct or indirect, of any senior officer, director, an associate or any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding securities, or any known associate or affiliate of such persons, in any transaction or in any proposed transaction which has materially affected or would materially affect Mullen Group.

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## **Additional Information**

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Additional information respecting Mullen Group is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information respecting Mullen Group for its most recently completed financial year is provided in the 2009 Annual Financial Statements and the 2009 MD&A. These documents can be accessed through SEDAR, Mullen Group's website at [www.mullen-group.com](http://www.mullen-group.com) or by request from Mullen Group's Investor Services group at [ir@mullen-group.com](mailto:ir@mullen-group.com).

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## **Board Approval**

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The Board of Directors of Mullen Group has approved the contents and sending of this Information Circular to the shareholders of Mullen Group.

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## Schedule "A"

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### Mullen Group Ltd. Board Mandate, Responsibilities and Duties of its Members

#### INTRODUCTION

- A. The primary responsibility of the Board is to foster the long-term success of Mullen Group consistent with its fiduciary responsibility to the shareholders to maximize shareholder value.
- B. The Board of directors is responsible for the management of Mullen Group's business and its affairs. It has the authority and obligation to protect and enhance the assets of Mullen Group in the interest of all shareholders. Although directors are elected by the shareholders to bring special expertise or a point of view to Board deliberations, the best interest of Mullen Group must be paramount at all times.
- C. The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing committees and determining director compensation. Its principal duties fall into the following six categories.

#### I. SELECTION OF SENIOR EXECUTIVE OFFICERS

The Board has the responsibility:

- A. To appoint Senior Executive Officers, monitor and evaluate their performance, and approve their compensation.
- B. To provide advice and counsel to the Senior Executive Officers in the execution of their duties.
- C. Acting upon the advice of the Chair and the recommendation of the CNG Committee, to approve the appointment of all corporate officers.
- D. To ensure plans have been made for management succession and development on a yearly basis.

#### II. PLANS AND STRATEGIES

The Board has the responsibility:

- A. To review and approve Mullen Group's objectives and goals, and the strategy by which management proposes to reach those goals.
- B. To review and approve the annual operating and capital budgets.

### **III. MONITORING AND ACTING**

The Board has the responsibility:

- A. To monitor Mullen Group's progress against its strategic plan and operating and capital budgets, and to revise and alter Mullen Group's direction through management in light of changing circumstances.
- B. To approve any payment of distributions, dividends and new financings.
- C. To identify the principal risks of Mullen Group's business and take all reasonable steps to ensure the implementation of appropriate systems to manage these risks.
- D. To ensure that management has established and maintains disclosure controls and procedures for and internal controls over financial reporting, to ensure proper financial reporting and to approve the quality and sufficiency of information provided to the directors.

### **IV. POLICIES AND PROCEDURES**

The Board has the responsibility:

- A. To approve and monitor compliance with all significant policies and procedures by which Mullen Group is operated.
- B. To ensure systems are in place which are designed to ensure Mullen Group operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

### **V. REPORTING TO SHAREHOLDERS**

The Board has the responsibility to direct management:

- A. To ensure Mullen Group is in compliance with all continuous disclosure and public reporting requirements.
- B. To ensure Mullen Group has in place an effective reporting and communications program with all securityholders and stakeholders, and to apprise the Board of any major concerns expressed by securityholders.
- C. To ensure the financial performance of Mullen Group is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis, including the approval of quarterly and annual financial statements.
- D. To ensure the financial results are reported fairly and in accordance with generally accepted accounting principles.
- E. To ensure the timely reporting of any other developments that have a significant and material impact on the value of Mullen Group.
- F. To report annually to securityholders on its stewardship for the preceding year (the Annual Report).

## VI. LEGAL REQUIREMENTS

The Board is responsible for taking all reasonable steps to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained. Canadian law identifies the following as legal requirements for the Board:

- A. To manage the business and affairs of Mullen Group.
- B. To act honestly and in good faith with a view to the best interests of Mullen Group.
- C. To exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances.
- D. To act in accordance with its obligations contained in the *Business Corporations Act* (Alberta), the *Securities Act* of each province and territory of Canada, other relevant legislation and regulations.
- E. In particular, it should be noted that the following matters must be considered by the Board as a whole and may not be delegated to a Committee:
  - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) the filling of a vacancy among the directors or in the office of the external auditor;
  - (iii) the manner and the term for the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by Mullen Group;
  - (vi) the approval of management proxy circulars;
  - (vii) the approval of any take-over bid circular or directors' circular; and
  - (viii) the approval of the financial statements of Mullen Group.



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