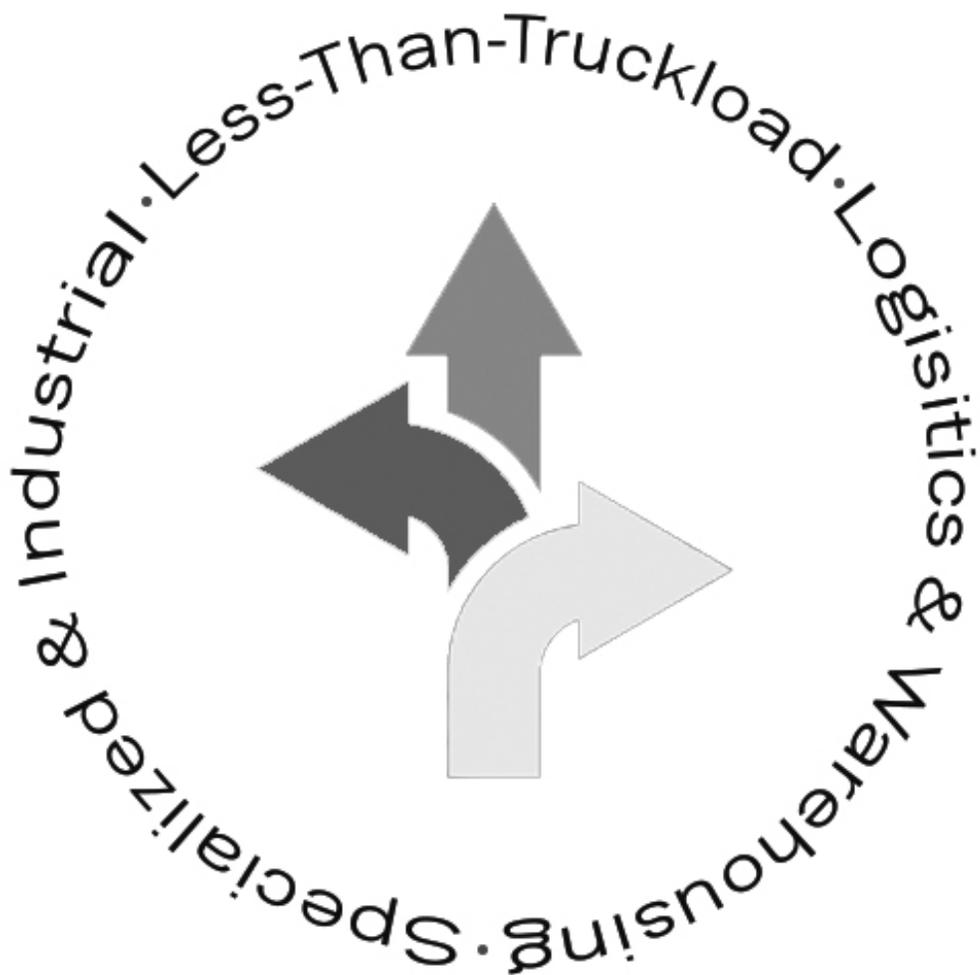


**Mullen Group**  
Ltd.

**INFORMATION CIRCULAR**  
**PROXY STATEMENT**



WE THINK **tomorrow**<sup>™</sup>

**NOTICE OF ANNUAL GENERAL MEETING**  
**May 4, 2020**

# Mullen Group Ltd.



Mullen Group (TSX:MTL) owns a network of independently operated businesses. We are one of Canada's largest and most diversified service-oriented businesses. The markets we serve are vital to the economy.

We are one of the leading suppliers of trucking and logistics services in Canada providing a wide range of service offerings including less-than-truckload, truckload, warehousing, logistics, transload, oversized and specialized hauling transportation. In addition, we provide a diverse set of specialized services related to the oil and natural gas industry in western Canada, water management, fluid hauling and environmental reclamation.

We have three operating segments:

- ❖ Less-Than-Truckload
- ❖ Logistics & Warehousing
- ❖ Specialized & Industrial Services

# 6,124

Personnel

# 5,000

Communities Served

# 34

Business Units

# 3

Operating Segments

# 1

**STRONG BRAND**

WE THINK **tomorrow**<sup>TM</sup>

Your vote and participation as a shareholder is important to us.

Please read this Information Circular to learn more about how we are governed, what we pay our executives and how this allows us to achieve our corporate goals.

This document also outlines the items that you will be voting on at our 2020 annual general meeting of shareholders and how you can vote your shares.

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## Letter to Shareholders

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# Mullen Group LLC

March 11, 2020

To our Shareholders:

We hope you will join us on Monday, May 4, 2020, at 3:00 p.m. for our annual meeting. This year we are holding our annual meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the meeting and engage with directors of Mullen Group and management as well as other shareholders. Shareholders will not be able to attend the meeting in person.

Our decision to hold our meeting virtually was a proactive step taken to manage the unprecedented health impact of COVID-19, otherwise known as the coronavirus disease 2019. The health and safety of our employees, communities, shareholders and other stakeholders is of utmost importance to us and our decision to hold a virtual meeting was made with this as a priority in an effort to mitigate risks associated with COVID-19.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the meeting online at <https://web.lumiagm.com/269884530>. Non-registered shareholders (being shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominees or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend the meeting as guests but will not be able to vote at the meeting.

This meeting provides an opportunity for you to vote on the items of business, hear about our performance over the past year and learn more about our plans for tomorrow. The meeting also provides you with the opportunity to engage with our people. I also invite you to review my Chairman's Message prior to the meeting, a copy of which can be found on our website at [www.mullen-group.com/investors/reports-filings](http://www.mullen-group.com/investors/reports-filings).

The enclosed Information Circular - Proxy Statement describes the business that will be conducted at the meeting, as well as providing the annual review of our executive compensation and corporate governance practices.

Your vote is important to us. If you are unable to attend the meeting, we encourage you to ensure your vote is recorded by returning the signed form of proxy or vote via our internet or telephone option. If your shares are not registered in your name and are held in the name of a nominee, you may wish to consult the information beginning on page 12 of the Information Circular – Proxy Statement for information on how to vote your shares.

We hope that you will join us at this year's meeting.

Sincerely,

Signed: "Murray K. Mullen"

Murray K. Mullen,  
Chairman, CEO & President

## Notice of our Annual Meeting of Shareholders

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You are invited to the annual meeting of shareholders of Mullen Group Ltd.

### **WHEN:**

May 4, 2020 at 3:00 p.m. (Mountain Daylight Time)

### **WHERE:**

Virtual Only Meeting - <https://web.lumiagm.com/269884530>

### **AGENDA:**

- Receive the Financial Statements
- Elect the directors
- Fix the number of directors to be elected
- Appoint the Auditors

The specific details of these matters are outlined in the accompanying Information Circular - Proxy Statement beginning on page 13.

### **YOUR VOTE IS IMPORTANT**

Your participation as a shareholder is very important to us. Please remember to vote your shares. If you are unable to attend the meeting, 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. This year in an effort to mitigate the risks associated with COVID-19, we are holding our annual meeting virtually. This was a proactive step taken to manage the unprecedented health impact of COVID-19, otherwise known as the coronavirus disease 2019 as the health and safety of our employees, communities, shareholders and other stakeholders is of utmost importance to us.

Our meeting will be conducted via live audio webcast and shareholders will have an equal opportunity to participate at the meeting online regardless of their geographic location. Registered shareholders and duly appointed proxyholders will be able to attend the meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Information Circular - Proxy Statement. Non-registered (or beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as guests but guests will not be able to vote at the meeting.

A shareholder who wishes to appoint a person other than the management appointees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Information Circular - Proxy Statement and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Trust Company of Canada, after submitting their form of proxy or voting instruction form. **Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a Control Number to participate in the Meeting and only being able to attend as a guest.**

Your proxy must be received by Computershare Trust Company of Canada no later than 3:00 p.m. (Mountain Daylight Time) on April 30, 2020.

By Order of the Board of Directors

### **MULLEN GROUP LTD.**

Signed: "*Joanna K. Scott*"

Joanna K. Scott,  
Corporate Secretary & Vice President, Corporate Services  
March 11, 2020

## The Meeting - At a Glance

*This summary is meant as a supplemental overview of information contained elsewhere in this Information Circular - Proxy Statement. It does not contain all of the information that should be considered and shareholders are advised to read the entire document carefully prior to voting.*

### WHERE AND WHEN:

**Time and Date:** 3:00 p.m. Mountain Daylight Time, May 4, 2020

**Place:** Virtual Meeting via live audio webcast online at <https://web.lumiagm.com/269884530>.  
Shareholders will not be able to attend the Meeting in person.

**Record Date:** March 11, 2020

**Who can vote:** All holders of Common Shares as of the Record Date are entitled to vote.

### BUSINESS TO BE COVERED:

The following table summarizes the business to be presented at the meeting. If you are unable to attend the meeting, you can ensure your vote is recorded by returning the signed form of proxy / voting instruction form (for further information see "Voting - What You Need to Know" beginning on page 7).

Business of the Meeting	Vote Required	Management Vote Recommendation	Page Reference for more detail
Receive the financial statements for the year ended December 31, 2019, together with the report of the Auditors	NO	N/A	13
Fix number of directors at six (6)	YES	FOR	13
Individual election of each proposed director	YES	FOR each individual nominee	14
Appointment of PricewaterhouseCoopers LLP as Auditors and authorize directors to fix the remuneration to be paid	YES	FOR	15

### OUR BOARD NOMINEES:

The following table provides a brief overview of each director nominee who will be considered for election to the board on an individual basis (for further information see "Director Profiles" beginning on page 16).

Name	Director Since	Independence	Occupation	2019 Board Attendance	Committee Memberships
Christine McGinley, CPA, CA, ICD.D	2017	Independent	Corporate Director	100%	Audit, CNG
David E. Mullen	2011	Not Independent	President of Lyncorp Manufacturing Ltd. and Chairman of Cordy Oilfield Services Inc.	100%	None
Murray K. Mullen	1986	Not Independent	Chairman, CEO & President Mullen Group Ltd.	100%	None
Philip J. Scherman, FCPA, FCA, ICD.D	2014	Independent	Corporate Director	100%	Audit, CNG
Sonia Tibbatts, MBA	2017	Independent	Corporate Director	100%	Audit, CNG
Stephen H. Lockwood, LLB	2014	Independent	Special Advisor to CEO of ATCO Ltd. Former President & COO, ATCO Structures & Logistics Ltd. Former President and Co-CEO of Mullen Group Ltd. - greater than 3 years ago.	100%	Audit, CNG

\* Mr. Lockwood has been a non-management director since June 2014. He was a management director from 2005- June 2014.

# THE MEETING PROCESS

This section of our information circular outlines important information about the meeting process including:

- General Information
- Voting - What You Need to Know
- Business of the Meeting
- Our Board of Directors - Nominees

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## The Meeting Process - General Information

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### Information Circular - Proxy Statement

(the "Information Circular")

You are receiving this Information Circular dated March 11, 2020, because you owned common shares ("**Common Shares**") of Mullen Group Ltd. ("**Mullen Group**") at the close of business on March 11, 2020 (the "**Record Date**").

As a shareholder of Mullen Group, you have the right to attend our annual meeting (the "**Meeting**") and to vote your Common Shares.

### Meeting Time and Place

Annual Meeting

May 4, 2020

3:00 p.m. Mountain Daylight Time

Virtual only Meeting conducted via live audio webcast online at <https://web.lumiagm.com/269884530>. Shareholders will not be able to attend Meeting in person.

### About this Document

**This Information Circular is being furnished in connection with the solicitation of proxies by and on behalf of the management of Mullen Group. Specific information related to the solicitation of proxies begins on page 7. A summary of the information shareholders will need to attend the virtual Meeting online is provided below.**

This Information Circular explains what items of business the Meeting will cover and outlines the voting process, as well as provides information on our governance practices and approach to executive compensation.

### Why are we having a Virtual Only Meeting?

Our decision to hold our meeting virtually was a proactive step taken to manage the unprecedented health impact of COVID-19, otherwise known as the coronavirus disease 2019. The health and safety of our employees, communities, shareholders and other stakeholders is of utmost importance to us and our decision to hold a virtual meeting was made with this as a priority in an effort to mitigate risks associated with COVID-19.

### How will Shareholders be able to Participate at the Meeting?

Registered shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out below under "Voting at the Meeting" and "How do I attend and participate at the Meeting?".

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting. See "Voting at the Meeting" and "How do I attend and participate at the Meeting?" below.

*In this Information Circular the words "we", "us", "our", and "Corporation" all refer to Mullen Group.*

*"You" and "your" refers to the holders of our Common Shares.*

*All dollar amounts are presented in Canadian dollars, unless otherwise stated.*

*All information is provided as at March 11, 2020, unless otherwise stated.*

## The Meeting Process - General Information

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### Mailing the Meeting Materials

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to our non-registered (beneficial) shareholders but not in respect of mailings to our registered shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online. This procedure is an environmentally-friendly and cost-effective way to distribute the Information Circular as it reduces printing, paper and postage requirements.

The Corporation has also elected to use procedures known as 'stratification' in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered shareholders will receive a paper copy of each of a notice of the Meeting, this Information Circular and a form of proxy whereas non-registered (beneficial) shareholders will receive a Notice-and-Access Notification and a request for voting instructions ("**Notice Package**"). Furthermore, a paper copy of our 2019 Annual Financial Review, containing Mullen Group's 2019 annual audited consolidated financial statements (the "**2019 Annual Financial Statements**") for the year ended December 31, 2019, together with management's discussion and analysis thereon (the "**2019 MD&A**"), will be mailed to our registered shareholders, as well as those non-registered (beneficial) shareholders who have previously requested a copy.

*[Remainder of Page Left Intentionally Blank]*

## The Meeting Process - General Information

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### **Access to Meeting Materials**

The management proxy circular is available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website ([www.sedar.com](http://www.sedar.com)) and on Broadridge Financial Solutions, Inc.'s ("**Broadridge**") website (<http://materials.proxyvote.com/625284>).

Non-registered share owners can request a copy of the management proxy circular up to five business days in advance of the proxy deposit date and time set out in the accompanying voting instruction form in order to receive the Meeting Materials, as defined below in advance of the meeting date. Non-registered (beneficial) shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to Mullen Group are referred to as "**NOBOs**" while non-registered (beneficial) shareholders who have objected to their intermediary disclosing ownership information about themselves to Mullen Group are referred to as "**OBOs**".

The Meeting Materials will be sent indirectly to the NOBOs through their intermediaries or brokers. Mullen Group does not intend to pay for brokers or intermediaries to forward the Meeting Materials to OBO's. Accordingly, OBO's will not receive the Meeting Materials unless the OBOs' broker or intermediary assumes the cost of delivery.

Our transfer agent, Computershare Trust Company of Canada ("**Computershare**") will mail the Information Circular and other proxy materials (collectively the "**Meeting Materials**") directly to our registered shareholders and our employee plan shareholders.

### **Request for Annual and Interim Reports**

Each year we also make available to registered and non-registered (beneficial) shareholders a "**Mailing List Request Form**" with our Meeting Materials. 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 form in the manner indicated. You can also access our annual and interim financial reports on SEDAR at [www.sedar.com](http://www.sedar.com) or on our website at [www.mullen-group.com](http://www.mullen-group.com) under the Investors Tab (Reports and Filings).

### **Access to Documents and Additional Information**

In this Information Circular we may refer to documents as being filed on SEDAR ([www.sedar.com](http://www.sedar.com)). Those documents, as well as the 2019 Annual Financial Statements identified above and other important disclosure documents, including Mullen Group's 2019 MD&A and additional information relating to Mullen Group, can be accessed on our website at [www.mullen-group.com](http://www.mullen-group.com) or obtained free of charge from our Corporate Investor Services group at 403-995-5200 or by emailing [ir@mullen-group.com](mailto:ir@mullen-group.com). Except as specifically provided, no other documents including any content or other items available on our website are incorporated by reference herein. A non-registered (beneficial) shareholder may also call Mullen Group at 1-866-995-7711 (toll free) to obtain additional information about the Notice-and-Access Provisions.

### **Communicating with the Board**

Shareholders may write to the Board or any board member(s) at the following address, which is also our registered office address:

Mullen Group Ltd.  
121A – 31 Southridge Drive  
Okotoks, Alberta T1S 2N3  
Attention: Corporate Secretary

We receive inquiries on many subjects and the Board and management have developed a process to manage inquiries so that the appropriate individual responds to such inquiries.

## The Meeting Process - General Information

### Who Can Vote

Our Common Shares are the only class of shares we have outstanding. At the close of business on February 29, 2020, there were 104,824,973 Common Shares issued and outstanding.

Only holders of record of Common Shares at the close of business on the Record Date of March 11, 2020, will be entitled to vote at the Meeting, unless a shareholder has transferred Common Shares subsequent to the Record Date and the transferee shareholder takes the necessary steps to properly establish ownership of such transferred shares. Each outstanding Common Share entitles the holder to one vote at the Meeting.

### Principal Holders of Securities

To the knowledge of our directors and officers, as at March 11, 2020, no person or company beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying 10 percent or more of the votes attached to all of the issued and outstanding Common Shares or any other security, other than as outlined below.

Name	Securities	Percentage of all Securities
Burgundy Asset Management Ltd.	17,885,913 Common Shares and \$2,050,000 principal amount of Convertible Debentures <sup>(1)</sup>	17.1783% <sup>(2)</sup>
QV Investors Inc.	13,167,684 Common Shares <sup>(3)</sup>	12.56%

<sup>(1)</sup> Based solely on an Alternative Monthly Report dated March 9, 2020 filed on behalf of Burgundy Asset Management Ltd. pursuant to National Instrument 62-103F3 adopted by the Canadian Securities Administrators.

<sup>(2)</sup> Includes percentage ownership of both Common Shares and Convertible Debentures. Percentage ownership of Common Shares alone is 17.0 percent.

<sup>(3)</sup> Based solely on an Alternative Monthly Report dated June 4, 2019 filed on behalf of QV Investors Inc. pursuant to National Instrument 62-103F3 adopted by the Canadian Securities Administrators.

### Types of 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 and should refer to the sections entitled "Voting - What You Need to Know" (page 7) and "Voting by Registered Shareholders" (page 10) for information on how to vote your shares.

You are an **employee plan shareholder** if you hold Common Shares through the Mullen Group Employee Share Purchase Plan (the "**ESPP**"). You will receive an "Instrument of Proxy" with the Information Circular and should refer to the sections entitled "Voting - What You Need to Know" (page 7) and "Voting by Employees Who Participate in the Mullen Group Employee Share Purchase Program" (page 11) for information on how to vote your shares.

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 who are NOBOs will be provided access to a "**Voting Instruction Form**" or "**VIF**" with the Notice Package and should refer to the sections entitled "Voting - What You Need to Know" (page 7) and "Voting by Non-Registered (Beneficial) Shareholders" (page 12) for information on how to vote your shares.

Throughout this Information Circular we refer to the Instrument of Proxy and Voting Instruction Form collectively as the "**proxy**" or "**form of proxy**".

## **The Meeting Process - General Information**

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### **Quorum at the Meeting**

As outlined in our By-laws, we need to have at least two people present at the Meeting who hold, or represent by proxy, in the aggregate at least five percent of the issued and outstanding Common Shares entitled to vote at the Meeting.

If a situation arose where a quorum was not present within 30 minutes of the Meeting's scheduled start time, then our By-laws stipulate that the Meeting would be adjourned to the same place and time on the same day of the following week. In such an instance, no notice of the adjourned meeting would be required and, if at such adjourned meeting a quorum was not present, the shareholders present, if at least two, would constitute a quorum for all purposes.

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

None of Mullen Group's informed persons, director nominees or any associate or affiliate of such persons or companies, (each as defined in National Instrument 51-102 - Continuous Disclosure Obligations ("**NI 51-102**")), has any material interest, direct or indirect, in any transaction or in any proposed transaction since the commencement of Mullen Group's most recently completed financial year, which has materially affected or would materially affect Mullen Group.

No person who has been a director or executive officer of Mullen Group at any time since the beginning of our most recently completed financial year and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting, other than the election of directors.

*[Remainder of page intentionally left blank]*

## Voting - What You Need to Know

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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, either by proxy or in person at the Meeting.***

### 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 Meeting. Computershare must receive your completed form of proxy by 3:00 p.m. (Mountain Daylight Time) on Thursday, April 30, 2020 or, in the case of any adjournment or postponement of the Meeting, not less than forty-eight hours (excluding Saturdays, Sundays and holidays) before the time of such adjourned or postponed meeting. The solicitation of proxies 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. Except as otherwise noted, Mullen Group will bear any costs arising by the solicitation of proxies including costs incurred in the preparation and mailing of the Meeting Materials.

### Voting at the Meeting

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below under "How do I attend and participate at the Meeting?".

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest. This is because Mullen Group and our transfer agent, Computershare, do not have a record of the nonregistered shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

**If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions, including the deadline, provided by your intermediary. See "Appointment of a Third Party as Proxy" and "How do I Attend and Participate at the Meeting?" below.**

### General Proxy Instructions

We have enclosed a form of proxy with this Information Circular. Typically, this is the easiest way to vote. When you sign the proxy you are giving someone else the authority to attend the Meeting and vote on your behalf (a "**proxyholder**"). A proxyholder must vote your shares in accordance with the instructions you provide.

The enclosed form of proxy provides for Murray K. Mullen and Richard J. Maloney (the "**Management Appointees**") to act as proxyholders. Mr. Mullen is a director and the Chairman, CEO and President of Mullen Group and Mr. Maloney is the Senior Vice President of Mullen Group. **The Common Shares represented by your properly submitted proxy will be voted, or withheld from voting, in accordance with your instructions on any ballot that may be called for at the Meeting.**

**If you submit your proxy and do not indicate how you want to vote your Common Shares your vote will be cast in accordance with the recommendations of Mullen Group's management in the following manner:**

- FOR setting the number of directors to be elected at six (6);
- FOR the election of each individual person nominated herein as a director; and
- FOR the appointment of PricewaterhouseCoopers LLP as auditor and the authorization of the directors to set their remuneration as such.

## Voting - What You Need to Know

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### Appointment of a Third Party as Proxy

**You can appoint someone other than the Management Appointees to act as your proxyholder and represent you at the Meeting ("Third Party Proxyholder"). This person does not have to be a shareholder.** The following applies to shareholders who wish to appoint a Third Party Proxyholder set forth in the form of proxy or voting instruction form as proxyholder, including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

**Shareholders who wish to appoint a Third Party Proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares MUST submit their proxy or voting instruction form (as applicable) appointing such Third Party Proxyholder AND register the Third Party Proxyholder, as described below.**

**Registering your Third Party Proxyholder is an additional step to be completed AFTER you have submitted your proxy or voting instruction form. Failure to register the Third Party Proxyholder will result in the Third Party Proxyholder not receiving a Control Number that is required to vote at the Meeting.**

- **Step 1: Submit your proxy or voting instruction form:** To appoint a Third Party Proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described below. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "How do I Attend and Participate at the Meeting?".

If you are a non-registered shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described below under "How do I Attend and Participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from non-registered shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by courier to: Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, Canada, and must be labeled "Legal Proxy" and received no later than the voting deadline of 3:00 p.m. MDT on April 30, 2020.

- **Step 2: Register your proxyholder:** To register a Third Party Proxyholder, shareholders must visit <https://www.computershare.com/appoint> by 3:00 p.m. MDT on April 30, 2020 using the CUID - MUBQ which is also on your form of proxy. You must then provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, Third Party Proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

**If you do not specify how you want your Common Shares voted, your Third Party Proxyholder will vote your Common Shares as he or she sees fit on each item.**

## Voting - What You Need to Know

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Third Party Proxyholders must vote your Common Shares in accordance with the instructions you provide, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, the proxyholder can vote as he or she sees fit. At the time of printing this Information Circular, the management of Mullen Group is not aware of any changes to the items of business that may come before the Meeting.

**Signing Your Proxy:** 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 said proxy should be accompanied by the appropriate instrument evidencing qualification and authority to act.

**Revoking your Proxy:** In addition to revoking your proxy in any manner permitted by law, you may revoke your proxy by sending written notice of such revocation to Computershare. Such revocation must be received by the last business day before the day of the Meeting or any adjournment thereof, or given to the Chairperson of the Meeting on the day of, but prior to the commencement of the Meeting or any adjournment or postponement of the Meeting. The revocation must be provided by you or your authorized attorney (with the appropriate instrument evidencing qualification and authority to act on your behalf).

### How do I Attend and Participate at the Meeting?

We are holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including nonregistered (beneficial) shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered beneficial shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote.

- **Log in online at <https://web.lumiagm.com/269884530>. We recommend that you log in at least one hour before the Meeting starts.**
- **Click "Login" and then enter your Control Number (see below) and Password "mullen2020" (case sensitive). OR**
- **Click "Guest" and then complete the online form.**

**Registered Shareholders:** The control number located on the form of proxy or in the email notification you received is your Control Number.

**Duly Appointed Proxyholders:** Computershare will provide the proxyholder with a Control Number by email after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered as described in the section "Appointment of a Third Party as Proxy" above.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

## Voting - What You Need to Know

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### Voting by Registered Shareholders

You are a registered shareholder if your Common Shares are held in your name and you have a share certificate. For registered shareholders, all mail addressed to Computershare should be sent to:

Computershare Trust Company of Canada, Proxy Department  
135 West Beaver Creek  
P.O. Box 300  
Richmond Hill, Ontario, L4B 4R5  
or by fax to 416-263-9524 or 1-866-249-7775

Method of Voting	Directions
<b>Virtually at the Meeting:</b>	Follow the instructions under "How do I Attend and Participate at the Meeting" on page 9.
<b>By proxy:</b>	
- <i>Mail</i>	Record your vote on the enclosed form of proxy, sign, date and return to Computershare in the enclosed envelope.
- <i>Hand Delivery</i>	Deliver to Computershare Trust Company of Canada, 8 <sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.
- <i>By Telephone</i>	Locate your <b>Control Number</b> on the enclosed proxy. Record your vote by calling the following number from a touch tone phone at 1-866-732-VOTE (8683) Toll Free. Please keep your Control Number confidential.
- <i>Via the Internet</i>	Locate your <b>Control Number</b> on the enclosed proxy. Proceed to <a href="http://www.investorvote.com">www.investorvote.com</a> and follow the instructions given. Please keep your Control Number confidential.
- <i>Via Smartphone</i>	Scan QR Code provided on your form of proxy.
<b>By appointing another proxyholder</b>	Print the name of your appointee in the box provided on the enclosed form of proxy, sign, date and return to Computershare in the enclosed envelope. If voting on the internet, follow the instructions provided. See also the instructions under "Appointment of a Third Party as Proxy".
<b>Revoke Proxy</b>	<ol style="list-style-type: none"><li>1. You may change your vote you made by proxy by voting again by any of the means and by the deadlines described above under "Voting at the Meeting". Your new instructions will revoke your earlier instructions. or</li><li>2. Send written notice of revocation from you or your authorized attorney to Computershare. Revocation must be received by the last business day before the day of the Meeting or any adjournment thereof. or</li><li>3. If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.</li></ol>

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## Voting - What You Need to Know

### Voting by Employees Who Participate in the Mullen Group Employee Share Purchase Program

Our ESPP is administered by Computershare. All Common Shares purchased under the ESPP, which we refer to as the "**ESP Shares**", are beneficially held by the participating employees, unless a participating employee has withdrawn his or her ESP Shares. Employees may exercise the voting rights attached to their ESP Shares by completing and returning the enclosed "**Instrument of Proxy**".

All mail addressed to Computershare in relation to the ESP Shares should be sent to:

Computershare Trust Company of Canada, Proxy Department  
135 West Beaver Creek  
P.O. Box 300  
Richmond Hill, Ontario, L4B 4R5  
or by fax to 416-263-9524 or 1-866-249-7775

Method of Voting	Directions
<b>Virtually at the Meeting:</b>	Follow the instructions under "How do I Attend and Participate at the Meeting" on page 9.
<b>By proxy:</b>	
- <i>Mail</i>	Record your vote on the enclosed form of proxy, sign, date and return to Computershare in the enclosed envelope.
- <i>Hand Delivery</i>	Deliver to Computershare Trust Company of Canada, 8 <sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.
- <i>By Telephone</i>	Locate your <b>Control Number</b> on the enclosed proxy. Record your vote by calling the following number from a touch tone phone at 1-866-732-VOTE (8683) Toll Free. Please keep your Control Number confidential.
- <i>Via the Internet</i>	Locate your <b>Control Number</b> on the enclosed proxy. Proceed to <a href="http://www.investorvote.com">www.investorvote.com</a> and follow the instructions given. Please keep your Control Number confidential.
- <i>Via Smartphone</i>	Scan QR Code provided on your form of proxy.
<b>By appointing another proxyholder</b>	Print the name of your appointee in the box provided on the enclosed form of proxy, sign, date and return to Computershare in the enclosed envelope. If voting on the internet, follow the instructions provided. See also the instructions under "Appointment of a Third Party as Proxy".
<b>Revoke proxy</b>	<ol style="list-style-type: none"><li>1. You may change your vote you made by proxy by voting again by any of the means and by the deadlines described above under "Voting at the Meeting". Your new instructions will revoke your earlier instructions. or</li><li>2. Send written notice of revocation from you or your authorized attorney to Computershare. Revocation must be received by the last business day before the day of the Meeting or any adjournment thereof. Or</li><li>3. If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.</li></ol>

## Voting - What You Need to Know

### 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 Meeting. Common Shares held by an Intermediary may 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 Meeting**. The majority of Intermediaries now delegate Broadridge with the responsibility of obtaining voting instructions from beneficial shareholders. Broadridge mails a scannable Voting Instruction Form or VIF in lieu of the form of proxy and you are asked to complete and return the VIF in accordance with the instructions provided on such form. Broadridge will then tabulate the results and provide the appropriate instructions to Computershare. **If you did not receive a VIF or other form of proxy in this package please contact your Intermediary.**

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

Method of Voting	Directions
<b>Virtually at the Meeting:</b>	Follow the instructions under "How do I Attend and Participate at the Meeting" on page 9.
<b>By proxy:</b>	
- <i>Mail</i>	Record your vote on the enclosed VIF, sign, date and return as per the instructions provided on such VIF.
- <i>Via the Internet</i>	Locate your <b>Control Number</b> on the enclosed VIF. Proceed to <a href="http://www.proxyvote.com">www.proxyvote.com</a> and follow instructions given. Please keep your Control Number confidential.
- <i>By telephone</i>	Locate your <b>Control Number</b> on the enclosed VIF. Call the toll-free number listed on your VIF and follow instructions given.
<b>By appointing another proxyholder</b>	Print the name of your appointee in the box provided on the enclosed VIF, sign, date and return as per the instructions provided on such VIF and within the timelines set forth on the VIF. If voting on the internet, follow the instructions provided.  See also the instructions under "Appointment of a Third Party as Proxy".
<b>Revoke Proxy</b>	Send written notice of revocation from you or your authorized attorney to your Intermediary's designated representative in accordance with the instructions provided by such Intermediary. Contact your intermediary to find out further information in respect of revoking your proxy as intermediaries may set deadline for the receipt of such revocation notices that are farther in advance of the Meeting than those set out above and accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting.

## Business of the Meeting

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There will be four items of business at this year's Meeting:

- 1 Receiving the Financial Statements
- 2 Fixing the Number of Directors
- 3 Electing the Directors
- 4 Appointing the Auditor

### 1. Financial Statements

Mullen Group's 2019 Annual Financial Statements as well as the independent auditor's report will be presented at the Meeting but will not be subject to a vote. We have mailed such documentation, together with our 2019 MD&A to those shareholders who opted to receive them. These documents are also available on SEDAR at [www.sedar.com](http://www.sedar.com), and free of charge on our website at [www.mullen-group.com](http://www.mullen-group.com) or by emailing [ir@mullen-group.com](mailto:ir@mullen-group.com).

No action is required or proposed to be taken at the Meeting with respect to the 2019 Annual Financial Statements.

### 2. Fixing the Number of Directors

The shareholders will set the number of directors to be elected at the Meeting.

Mullen Group's articles provide for a minimum of three and a maximum of fifteen directors. Our Board currently consists of seven directors. The Board has determined that the number of directors to be elected at the Meeting should be set at six.

Management is soliciting proxies, in accordance with the accompanying form of proxy, for an ordinary resolution in favour of fixing the number of directors to be elected at six members. Unless otherwise directed, the Management Appointees named in the enclosed form of proxy shall vote **FOR fixing the number of directors of Mullen Group at six for the ensuing year.**

*[Remainder of page intentionally left blank]*

## Business of the Meeting

### 3. Election of Directors

Our shareholders elect directors at each annual meeting of shareholders for a term of one year. In presenting directors for election we follow an individual director voting practice, which provides for each director to be presented for election on an individual basis as opposed to a slate basis. Accordingly, the enclosed form of proxy allows the shareholders to vote for each director on an individual basis.

#### *Monitoring Individual Director Voting*

The Board and, in particular our Compensation, Nomination and Governance Committee (the "**CNG Committee**"), monitors the voting results for individual directors and considers such information when conducting its annual review of the Board's composition and in assessing individual director performance. We've included the specific voting results for each director in the "Director Profiles" that begin on page 16.

#### *Majority Voting Policy*

Our Board has adopted a majority voting policy stipulating that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of our Common Shares present at the meeting and withheld from voting, the nominee will submit his or her resignation immediately after the meeting for our CNG Committee's review and consideration. Our CNG Committee will then make a recommendation to our Board after reviewing the matter.

Our Board's decision to accept or reject the resignation offer will be made and disclosed to the public within 90 days of the applicable shareholders' meeting. Resignations are expected to be accepted except in situations where exceptional circumstances would warrant the applicable director to continue to serve as a Board member. The nominee would not participate in any committee or Board deliberations on the resignation offer unless there are not at least three directors who did not receive a majority withheld vote. The policy does not apply in circumstances involving contested director elections.

The term of office of each of the present directors expires at the close of the Meeting. Pursuant to Mullen Group's Individual Director Voting practice and in accordance with the accompanying form of proxy, management is soliciting proxies for an ordinary resolution in favour of the election of each of the six nominees listed below. The Board has concluded that each person nominated has relevant expertise and is well qualified to serve as a director of Mullen Group for the ensuing year. All of the six nominees are currently directors of Mullen Group. It is not contemplated that any nominee will be unable to serve as a director. Background information on each nominee is set forth in the next section entitled "Director Profiles" that begins on page 16.

#### Nominees

Christine McGinley, CPA, CA, ICD.D	David E. Mullen
Murray K. Mullen	Philip J. Scherman, FCPA, FCA, ICD.D
Sonia Tibbatts, MBA	Stephen H. Lockwood, LLB

Unless otherwise directed, the Management Appointees named in the enclosed form of proxy shall vote **FOR the election of each of the above referenced individual nominees.**

## Business of the Meeting

### 4. Appointment of Auditors

Shareholders are being asked to vote for the appointment of PricewaterhouseCoopers LLP ("PwC") Chartered Professional Accountants, to serve as the auditors of Mullen Group until the next annual general meeting of the shareholders and to authorize the directors of Mullen Group to fix their remuneration. PwC was first appointed as Mullen Group's auditors in March of 2014.

#### Auditor Independence

Auditor independence is essential to the integrity of our financial statements. In deciding to engage PwC, the Audit Committee reviewed auditor independence and existing commercial relationships with PwC. The Audit Committee concluded that PwC has no commercial relationship with Mullen Group that would impair its independence and PwC has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. Our Audit Committee pre-approves all audit and non-audit services. It is also responsible for overseeing the audit work performed on behalf of the Corporation. The Audit Committee will continue to review our external auditors' qualifications and independence on an annual basis. The review includes formal written statements that describe any relationship between the auditors, their affiliates and Mullen Group that could affect the auditors' independence and objectivity. The review also includes an annual evaluation of the auditors' performance. You can find more information about the roles and responsibilities of the Audit Committee beginning on page 33.

Unless otherwise directed, the Management Appointees named in the enclosed form of proxy shall vote **FOR the appointment of the firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as Mullen Group's auditor until the next annual meeting of shareholders of Mullen Group and to authorize the directors to fix their remuneration as such.**

#### Auditors' Fees

The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to Mullen Group. The fees paid by Mullen Group for professional services to its external auditor during fiscal 2019 are included in the table below. Also included for comparative purposes are the fees paid by Mullen Group for fiscal 2018.

(\$ thousands)	2019 \$	2018 \$
Audit fees <sup>1</sup>	668	753
Audit-related fees <sup>2</sup>	141	138
Tax fees <sup>3</sup>	-	3
All Other fees <sup>4</sup>	55	5
Total	864	899

#### Notes:

- <sup>1</sup> Audit fees consist of fees paid for the audit of Mullen Group's annual financial statements and the review of quarterly financial reports or services that are normally provided in connection with statutory and regulatory filings or engagements. In 2019 Mullen Group paid \$668,000 to PwC of which \$409,000 related to the 2018 Audit and \$259,000 related to the 2019 Audit with total 2019 Audit fees estimated to be \$593,000.
- <sup>2</sup> Audit-related fees consist of fees paid for internal control testing, assurance and related services that are reasonably related to the performance of the audit or review of Mullen Group's financial statements and are not reported as Audit Fees.
- <sup>3</sup> Tax fees consist of fees paid for tax compliance services, tax advice and tax planning.
- <sup>4</sup> Other fees mainly consist of fees paid for due diligence services associated with issuing the \$125.0 million of convertible debentures in 2019.

## Our Board of Directors

### Director Profiles

The following tables provide information on each person nominated for election as a director. Each of these individuals is currently a director of Mullen Group.

Christine McGinley, CPA, CA, ICD.D		Independent Director	
		<p>Ms. Christine McGinley was the former Senior Vice President, Operations for Canwest Broadcasting until her retirement in 2010. She has over 25 years of senior management experience, specializing in the areas of operations, technology and finance. Ms. McGinley has additionally served as a director and audit chairperson on a number of boards and has an ICD.D designation from the Institute of Corporate Directors in Toronto, Ontario. Ms. McGinley earned her Bachelor of Commerce degree from the University of Alberta in 1980 and is a member of the Canadian and Alberta Institutes of Chartered Professional Accountants.</p>	
<p><b>Age:</b> 61  <b>Residence:</b> Calgary, AB, Canada  <b>First Elected:</b> 2017  <b>2019 Attendance:</b> 100%  <b>2019 Voting Results:</b> 99.37% for  <b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>Audit</li> <li>Compensation, nomination and governance</li> </ul>		<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Capital Markets</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<u>Common Shares</u>	<u>Debentures</u>
		16,362	Nil
		<b>Current Public Directorships</b>	<b>Exchange</b>
		Northview Apartment REIT	TSX
		DIRTT Environmental Solutions Ltd.	TSX
		<b>Trading Symbol</b>	
		NVU.UN	
		DRT	

David E. Mullen		Non-Independent Director	
		<p>Mr. David Mullen is Chairman of Cordy Oilfield Services Inc., a publicly traded oilfield, construction and environmental services company. He is also President of Lyncorp Manufacturing Ltd. Prior thereto, Mr. Mullen spent approximately 28 years in various capacities within the Mullen Group of companies. At the time of his departure from Mullen Group, he was Vice President of Mullen Trucking L.P.</p>	
<p><b>Age:</b> 59  <b>Residence:</b> Calgary, AB, Canada  <b>First Elected:</b> 2011  <b>2019 Attendance:</b> 100%  <b>2019 Voting Results:</b> 89.95% for  <b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>None</li> </ul>		<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Trucking/Logistics</li> <li>Oil and Natural Gas Industry</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> <li>Health and Safety</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<u>Common Shares</u>	<u>Debentures</u>
		6,190	Nil
		<b>Current Public Directorships</b>	<b>Exchange</b>
		None	
		<b>Trading Symbol</b>	

## Our Board of Directors

Murray K. Mullen		Non-Independent Director	
	<p>Mr. Murray Mullen is Mullen Group's Chairman and Chief Executive Officer, positions he has held since 2001. Upon the resignation of Mr. Lockwood on June 30, 2014 as President, Mr. Mullen was appointed to this role. Mr. Mullen joined the Mullen Group of companies in 1975. Mr. Mullen graduated from the University of Calgary with a Bachelor of Arts (Economics) degree. He has been a key architect of Mullen Group's overall business strategy and growth since it became a public company in 1993.</p>		
	<p><b>Age:</b> 64  <b>Residence:</b> Calgary, AB, Canada  <b>First Elected:</b> 1986  <b>2019 Attendance:</b> 100%  <b>2019 Voting Results:</b> 92.40% for  <b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>None</li> </ul>	<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Trucking/Logistics</li> <li>Oil and Natural Gas Industry</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> <li>Health and Safety</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<b>Common Shares</b>	<b>Debentures</b>
		4,838,936	\$4,400,000
		<b>Current Public Directorships</b>	<b>Exchange</b>
		<b>Trading Symbol</b>	
		None	

Philip J. Scherman, FCPA, FCA, ICD.D		Independent Director	
	<p>Mr. Scherman is a Chartered Professional Accountant who from 1982 to 2012 was an audit partner for both public and private energy and energy service entities of a large accounting firm. He was also the firm's Oil and Gas Industry Leader for many years and served on its Board of Directors for six years. He is currently President of PJ Scherman Professional Corporation. He obtained his Bachelor of Commerce degree from the University of Saskatchewan. Mr. Scherman is a member of the Canadian and Alberta Institutes of Chartered Professional Accountants and was awarded the Fellow of the Chartered Professional Accountants designation by the Chartered Professional Accountants of Alberta in 2013.</p>		
	<p><b>Age:</b> 69  <b>Residence:</b> Calgary, AB, Canada  <b>First Elected:</b> 2014  <b>2019 Attendance:</b> 100%  <b>2019 Voting Results:</b> 99.37% for  <b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>Audit (Chairperson)</li> <li>Compensation, nomination and governance</li> </ul>	<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Trucking/Logistics</li> <li>Oil and Natural Gas Industry</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> <li>International Business</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<b>Common Shares</b>	<b>Debentures</b>
		38,200	Nil
		<b>Current Public Directorships</b>	<b>Exchange</b>
		<b>Trading Symbol</b>	
		CES Energy Solutions Corp.	TSX
		CEU	

## Our Board of Directors

Sonia Tibbatts, MBA		Independent Director	
		<p>Ms. Tibbatts has over 33 years' experience in the finance and capital markets industry and was employed for 33 years with RBC Capital Markets until her retirement in 2016. During such time she held positions such as Managing Director, Director, Vice President, Corporate Banking and Vice President, Oil &amp; Gas Banking. Ms. Tibbatts was also the Chairperson of RBC Capital Markets' Energy Industry Operating Committee from 2008-2016. Ms. Tibbatts earned a Bachelor of Home Economics Degree in 1976 from the University of Manitoba, a Master of Science degree in 1980 from the University of Manitoba and a MBA degree in 1986 from the University of Calgary.</p>	
<p><b>Age:</b> 65</p> <p><b>Residence:</b> Calgary, AB, Canada</p> <p><b>First Elected:</b> 2017</p> <p><b>2019 Attendance:</b> 100%</p> <p><b>2019 Voting Results:</b> 99.37% for</p> <p><b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>Audit</li> <li>Compensation, nomination and governance</li> </ul>		<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Trucking/Logistics</li> <li>Oil and Natural Gas Industry</li> <li>Health and Safety</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> <li>International Business</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<u><b>Common Shares</b></u>	<u><b>Debentures</b></u>
		16,350	\$100,000
		<b>Current Public Directorships</b>	<b>Exchange</b>
		<b>Trading Symbol</b>	
		None	

Stephen H. Lockwood, LLB		Independent Director	
		<p>Mr. Lockwood is currently a Special Advisor to the Chair and CEO of ATCO Ltd. Prior to assuming this position, Mr. Lockwood was the President and Chief Operating Officer of ATCO Structures &amp; Logistics Ltd, a global infrastructure company, positions he held since May, 2015. Mr. Lockwood earned a Bachelor of Commerce degree from the University of Alberta in 1978 and a Bachelor of Laws degree from the University of Calgary in 1981.</p>	
<p><b>Age:</b> 64</p> <p><b>Residence:</b> Calgary, AB, Canada</p> <p><b>First Elected:</b> 2014*</p> <p><b>2019 Attendance:</b> 100%</p> <p><b>2019 Voting Results:</b> 79.37% for</p> <p><b>Board Committees:</b></p> <ul style="list-style-type: none"> <li>Audit</li> <li>Compensation, nomination and governance</li> </ul>		<p><b>Areas of expertise:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Leadership</li> <li>Trucking/Logistics Industry</li> <li>Oil and Natural Gas Industry</li> <li>Health and Safety</li> <li>Mergers and Acquisitions</li> <li>Corporate Governance</li> <li>Human Resources</li> <li>International Business</li> </ul>	
<b>Number of Securities Owned, Controlled or Directed</b>			
		<u><b>Common Shares</b></u>	<u><b>Debentures</b></u>
		395,250	\$100,000
		<b>Current Public Directorships</b>	<b>Exchange</b>
		<b>Trading Symbol</b>	
		None	

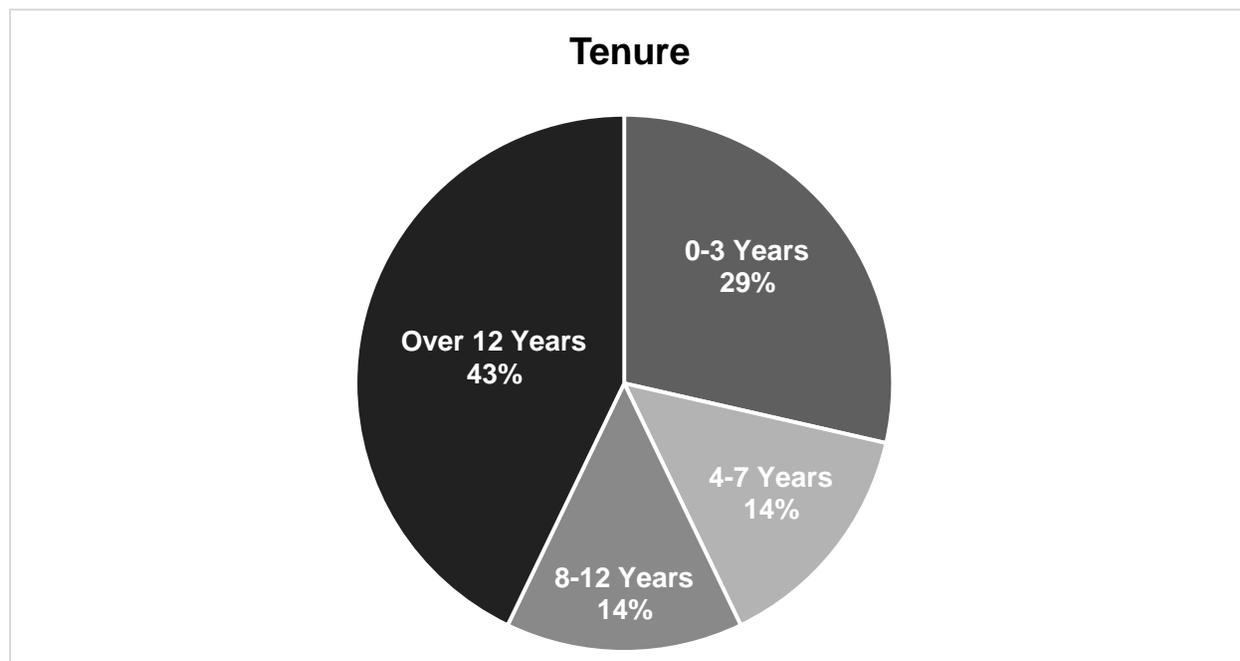
\*Mr. Lockwood has been a non-management director since June 2014. He was a management director from 2005- June 2014.

## Our Board of Directors

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### Director Tenure

We have a 15 year term limit for our non-management directors and an age term limit of 70 years. We have not adopted term limits for our management directors due to the fact that our management directors have relevant industry experience, an intimate knowledge of the business, in-depth insight to where the value of the Corporation lies as well as a strong personal commitment to Mullen Group's success. The average of our directors' tenure as at the date hereof is 12 years with the following breakdown of years of service:



### Additional Disclosure Related to Directors

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

Except as disclosed below, to the best of Mullen Group's knowledge, no proposed director 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.

Except as disclosed below, to the best of Mullen Group's knowledge, no proposed director of Mullen Group is, at the date of this Information Circular or has been within the 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; or 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 was 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.

## Our Board of Directors

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- Mr. Scherman was on the board of directors of Parallel Energy Inc., the administrator of Parallel Energy Trust ("**Parallel**"), a Calgary-based oil and gas producer. On November 9, 2015, Parallel filed an application for protection under the Companies' Creditors Arrangement Act (the "**CCAA**") and voluntary petition for relief under Chapter 11 of the United States Code. In the Chapter 11 proceedings, the Bankruptcy Court approved the sale of the assets of Parallel and the sale closed on January 28, 2016. Mr. Scherman resigned from the board of directors of Parallel on March 1, 2016 and subsequently the Canadian entities of Parallel filed for bankruptcy under the Bankruptcy and Insolvency Act on March 3, 2016.
- Ms. McGinley was the Senior Vice-President, Operations of CanWest Global Communications Corp. ("**CanWest**") when CanWest, its principal operating subsidiary, Canwest Media Inc. and certain other related entities (including the over-the-air networks, specialty cable channels and the National Post) voluntarily filed for creditor protection from bankruptcy under the CCAA and successfully obtained an order from the Ontario Superior Court of Justice (Commercial Division) to commence proceedings under the CCAA on October 6, 2009. CanWest successfully emerged from CCAA in October 2010 and was acquired by Shaw Communications Inc.

To the best of Mullen Group's knowledge, no proposed director 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 securityholder in deciding whether to vote for a proposed director.

To the best of Mullen Group's knowledge no proposed director or any personal holding companies of a proposed director of Mullen Group have been subject to (i) 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 (ii) 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.

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# CORPORATE GOVERNANCE

Ensuring strong, sustainable and socially responsible corporate governance is a priority for Mullen Group and its Board of Directors.

This section provides an overview of our corporate governance practices and tells you about our Board of Directors and Committees.

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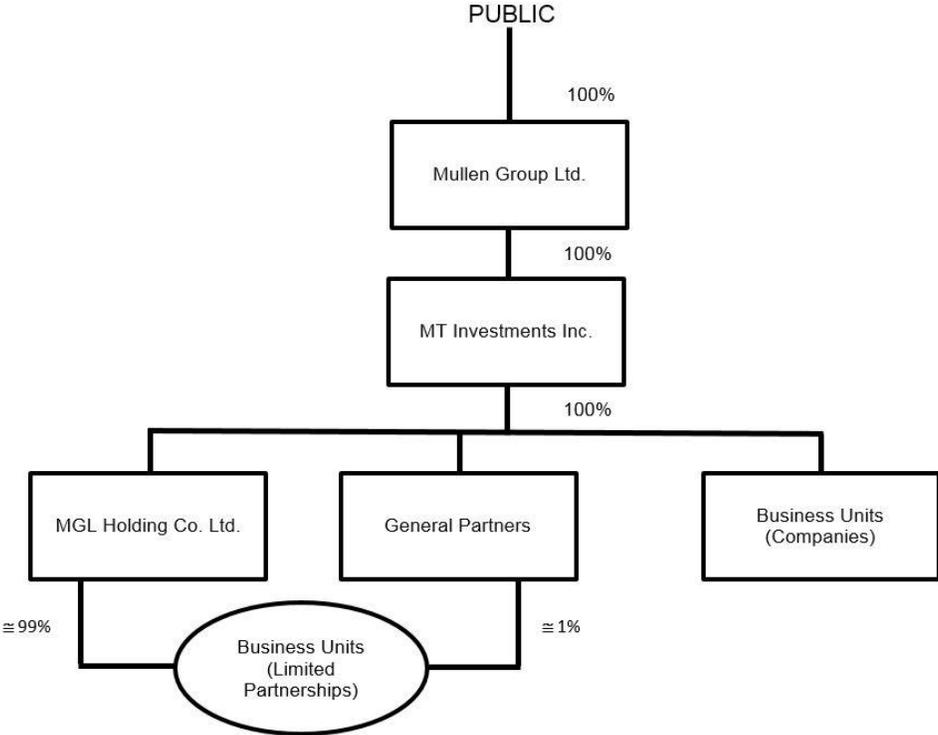
# How we Govern - An Overview of our Corporate Governance Practices

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 "**Guidelines**") set forth in National Policy 58-201 - Corporate Governance Guidelines. To assist shareholders in understanding our approach to governance it is important to understand our structure.

Our Board is responsible for the management of Mullen Group's business and affairs, with its primary responsibility to foster the long term success of Mullen Group consistent with its fiduciary responsibility to the Corporation to maximize value. We operate a decentralized business model that is non-hierarchical in nature. The business is operated through a network of wholly-owned companies and limited partnerships (the "**Business Units**"), which are divided into three distinct operating segments for reporting purposes: Less-Than-Truckload; Logistics & Warehousing; and Specialized & Industrial Services. The segments are differentiated by the type of service provided, equipment requirements and customer needs.

Each Business Unit operates as a separate business unit under its own brand that is held accountable for its own performance and profitability. While the day-to-day operations of the Business Unit are the responsibility of each Business Unit's management team, our Corporate Office provides oversight and support to the Business Units by coordinating business strategies, monitoring financial and business performance, providing management services, centralized banking and financial expertise and offering shared services such as payroll, human resources support, information technology support, legal and accounting services. In addition, the Corporate Office, through its subsidiary MT Investments Inc., owns a network of real estate holdings and facilities that are leased primarily to the Business Units.

The following diagram shows Mullen Group's inter-corporate relationships. For simplification, non-material wholly-owned subsidiaries have not been included. A complete list of the Business Units is provided in our Annual Information Form dated February 12, 2020, under the heading "Business Units", a copy of which is filed on SEDAR at [www.sedar.com](http://www.sedar.com), as well as being posted on our website at [www.mullen-group.com](http://www.mullen-group.com).



## How we Govern - An Overview of our Corporate Governance Practices

### Board of Directors

We review the size of our Board on an annual basis to ensure it is large enough to provide a variety of expertise and opinion, yet small enough to allow for efficient operation and decision-making.

#### *Independence*

Each year we strive to have a Board that is comprised of a majority of independent directors. In determining a director's independence we refer to the applicable securities laws and, in particular, the "**Meaning of Independence**" set forth in National Instrument 52-110 – Audit Committees ("**NI 52-110**"), which indicates, among other things, that a director is considered independent only where the Board determines that the director has no direct or indirect material relationship with Mullen Group or its Business Units. Based on a review of NI 52-110, we have determined that:

- the Board is majority independent with five of seven directors classified as independent, namely, Greg Bay, Stephen Lockwood, Philip Scherman, Christine McGinley and Sonia Tibbatts;
- Mr. Stephen Lockwood became an independent director on June 30, 2017;
- Mr. M. Mullen is not independent as he is an executive officer of Mullen Group;
- Mr. D. Mullen is not independent as he is related to Mr. M. Mullen; and
- the Board will remain majority independent following the election of directors at the Meeting with four of six directors being independent directors, namely Stephen Lockwood, Philip Scherman, Christine McGinley and Sonia Tibbatts.

**OUR BOARD IS  
MAJORITY  
INDEPENDENT**

For your information, the table below sets forth the relationship between Mullen Group and its current directors:

Director	Independent	Not Independent	Reason for Status
Christine McGinley	√		No direct or indirect material relationship
David Mullen		√	Related to Mr. Murray Mullen
Murray Mullen		√	Chairman of the Board, Chief Executive Officer and President
Philip Scherman	√		No direct or indirect material relationship
Sonia Tibbatts	√		No direct or indirect material relationship
Stephen Lockwood	√		While Former President and Co-Chief Executive Officer of Mullen Group, it has been more than three years since Mr. Lockwood held this position

#### *Board Chairperson*

We have written **TERMS OF REFERENCE** for this position. In accordance with those terms, our Board Chairperson guides the operations of the Board and ensures effective relations with shareholders, other stakeholders and the public. Mr. Murray K. Mullen was appointed as the Chairman of our Board in 2001. While Mr. Mullen is not an independent director, the Board has established mechanisms that enable it to function independently from management if and when necessary.

## How we Govern - An Overview of our Corporate Governance Practices

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### **Lead Director**

Ms. Sonia Tibbatts, the CNG Committee Chairperson, is currently the Lead Director of our Board. The role of Lead Director is established through, and governed by, the provisions of the written mandate of the CNG Committee, which specifically provides that the CNG Committee Chairperson will act as the Lead Director of Mullen Group. Since the CNG Committee's mandate provides that such committee must be comprised solely of independent directors, the role of Lead Director will always be fulfilled by an independent director.

In acting as Lead Director, among other things, the CNG Chairperson chairs all in-camera meetings of the Board without management; facilitates responses to shareholder or other stakeholder questions, comments and concerns directed to the independent directors as a group; ensures personal availability for consultation and communication with independent directors and with the Chairperson as appropriate; reviews and responds to any comments made by independent directors; and raises issues with the Chairperson and senior management as deemed necessary. In addition to the appointment of a Lead Director, our Board has put in place other mechanisms to ensure the Board functions independently from management. These mechanisms are discussed below.

### **Committees Comprised of Independent Directors**

Taking into consideration the size of Mullen Group and the nature and geographic scope of our business, the Board established two committees to assist with its duties and responsibilities in meeting the Guidelines, being the Audit Committee and the CNG Committee. We have written committee mandates that provide for the committees to be comprised solely of independent directors, thereby formalizing the independence of our committees. This ensures that the comprehensive information, reports and presentations delivered at the committee level are reviewed and considered by those directors that are independent from management. In addition, individual directors may, with the approval of the Lead Director, retain an outside advisor at Mullen Group's expense.

**100%**  
of board committees  
are independent

**100%**  
of directors have  
management  
experience

**50%**  
of board committees  
are comprised of  
women including  
our Lead Director

**33%**  
of directors are  
women

*[Remainder of page intentionally left blank]*

## How we Govern - An Overview of our Corporate Governance Practices

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### *In-Camera Sessions*

**As an integral part of our governance practices, our independent directors utilize a number of in-camera sessions to ensure the Board can function independently from management.**

**Board:** The independent directors hold an in-camera session following each regularly scheduled, in-person board meeting. During 2019, four such in-camera sessions were held. These sessions were led by the independent Lead Director with the duration and agenda topics being determined by the independent directors as required to ensure that all necessary issues were addressed. These in-camera sessions provide an effective forum for open and candid discussions with respect to the management and business of Mullen Group.

**Audit Committee:** The Audit Committee, comprised solely of independent directors, holds a number of in-camera sessions at each regularly scheduled committee meeting. As standard practice, committee members conduct an in-camera session at each quarterly meeting with the external auditors. The committee members also conduct individual in-camera sessions with each of the Chairperson of the Board, Chief Executive Officer and President, and the Chief Financial Officer. All of these sessions are led by the Audit Committee Chairperson and provide an opportunity for the committee members to review the quarterly financial reporting process on an individual basis with the referenced executives, as well as the external auditors, and to discuss any matters that the Audit Committee considers appropriate. These in-camera sessions occurred at all Audit Committee meetings held during 2019. In addition, upon receiving the annual report on Effectiveness of Disclosure Controls and Internal Controls over Financial Reporting from PwC, the Audit Committee conducted an in-camera session with said firm.

**CNG Committee:** The CNG Committee, comprised solely of independent directors, conducts an in-camera session following each regularly scheduled committee meeting. As standard practice, the committee members also receive an in-camera report from the Chairperson of the Board at each meeting. All of these sessions are led by the Lead Director and provide an opportunity for open and candid discussions with respect to management, succession plans, executive compensation and governance related matters. These in-camera sessions occurred at all CNG Committee meetings held during 2019.

**Other:** At each meeting held by teleconference for special business, the independent directors determine whether or not there is reason to hold an in-camera session without management present. While the independent directors have the ability to hold additional in-camera sessions if required, no such meetings were held during 2019.

### **Meeting Attendance**

Mullen Group expects that all directors will maintain an excellent attendance record. While our directors strive for perfect attendance, there are those instances when a director misses a meeting for "**good reason**", such as a family or medical emergency, or a previously scheduled commitment that cannot be changed.

We have adopted an electronic board portal for use by the directors in relation to meeting materials. This ensures that, to the extent possible, directors have access to meeting materials wherever they are located. Comprehensive meeting materials addressing the business to be covered at a meeting are posted prior to the meeting date. In addition, quarterly reports are posted on the board portal for the Directors' reference. Directors who are unable to attend a meeting are responsible for reviewing the meeting materials and communicating their views to the appropriate Chairperson or the Lead Director.

During 2019, the Board held four regularly scheduled in-person meetings and two teleconference meetings. Each director's attendance record has been outlined in the respective profiles in the section entitled "Director Profiles" beginning on page 16.

## How we Govern - An Overview of our Corporate Governance Practices

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### ***Other Directorships***

Our Board has not adopted a formal policy limiting the number of outside directorships that can be held by its directors.

Rather, we make our directors aware that certain parties suggest best governance practices should limit the number of outside public directorships held. While these parties suggest that directors who are also CEOs should hold no more than two outside public directorships, we believe that the directors themselves are best able to determine whether their external roles will impact their ability to serve on our Board.

**OUR CEO DOES  
NOT HOLD ANY  
OUTSIDE PUBLIC  
DIRECTORSHIPS**

Each year through the Board's annual assessment process, directors are asked to confirm that they have adequate time and resources to commit to Mullen Group and, in particular, that holding additional outside directorships does not interfere with their ability to devote the expected time and resources to fulfill their duties and responsibilities to Mullen Group. Individual directors are required to consult with the Board Chairperson and/or the Lead Director when considering an appointment to the board of another reporting issuer. Additionally, individual directors whose professional responsibilities outside Mullen Group have changed since they were elected to the Board, are required to notify the Board Chairperson and/or Lead Director. A listing of other directorships is provided in each director's respective profile in the section entitled "Director Profiles" beginning on page 16.

There are ***NO INTERLOCKING BOARD RELATIONSHIPS*** amongst our directors.

### **Board Manual - Mandates and Position Descriptions**

Our Board has established a written manual (the "**Board Manual**") outlining, among other things, the key guidelines governing the Board's operation, as well as providing written mandates, or terms of reference, for the Board and its committees, individual directors, Chairperson of the Board, Chairperson of each committee of the Board and Chief Executive Officer. The Board Manual acts as a resource and guide for directors by documenting board processes as such evolve over time and acts as a foundational guide when questions or areas of confusion arise. The Board Manual includes Mullen Group's history and structure, the role of the Board, the role of its committees and individual directors, including, the expectation that directors will be able to commit a reasonable amount of time and resources to carry out their duties. The Board Manual is posted on our board portal for the directors' ease of reference.

#### ***Board Mandate***

Our Board Manual includes a written ***MANDATE*** for the Board outlining its principal duties and responsibilities underlying such. The full text of such mandate is attached to this Information Circular as Schedule A. The Board Manual also includes written mandates for each of the Audit Committee and the CNG Committee.

#### ***Position Descriptions***

The Board Manual also includes written ***TERMS OF REFERENCE*** (or position descriptions) delineating the roles and responsibilities for the Chairperson of the Board and Chief Executive Officer. In addition, the CNG Committee mandate sets forth the specific responsibilities of the CNG Committee Chairperson acting in his or her capacity as Lead Director. The Audit Committee mandate sets out the roles and responsibilities of all Audit Committee members including the Audit Chairperson.

#### ***Review Process***

As part of the CNG Committee's standard work plan, the Board Manual is reviewed on an annual basis to ensure that it remains current. As part of this review Mullen Group engages in the consideration and review

## How we Govern - An Overview of our Corporate Governance Practices

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of evolving regulatory developments and governance best practices to ensure that the Board Manual reflects these practices while remaining appropriate to our circumstances and is also in the best interests of Mullen Group, our shareholders and other stakeholders.

### Orientation and Continuing Education

#### *Orientation*

We are committed to ensuring both new and continuing directors have insight into the nature and operation of our business, as well understanding the roles and responsibilities of the Board, its committees and individual directors.

**New Directors:** The Board looks at new director orientation on an individual basis. We orient newly elected or appointed directors through meetings with existing directors, an invitation to attend meetings in advance of election or appointment, and by providing them with a comprehensive package of materials, compiled specifically to orient such director to the Board based upon that director's specific needs and areas of interest. We meet one-on-one with new directors to provide a fulsome orientation and review of the information package provided. These packages typically include the Board Manual, corporate information, director profiles, meeting information, Mullen Group's strategic plan, By-laws, disclosure documents, corporate policies (including detailed information relating to blackout periods and insider trading practices), relevant materials relating to topical matters relevant to Mullen Group and past meeting minutes.

**Existing Directors:** Utilizing our online board portal ensures the Board is kept up-to-date and current with respect to the nature and operation of our business through the posting of annual operating summaries from our Chief Financial Officer, as well as the quarterly business reviews from each of our Business Units. These quarterly reviews provide financial data, safety results and qualitative information in relation to economic factors impacting each Business Unit. In addition, the electronic portal provides easy access to past meeting materials, corporate policies and our Board Manual.

Both new and continuing directors also gain insight into the nature and operation of Mullen Group's business through in-house presentations and reports by management, the comprehensive business reviews and analysis provided by each Business Unit in preparation for the annual budget process and attendance at Mullen Group hosted conferences.

**In-House Presentations:** Directors gain exposure to our individual Business Units when senior management from individual Business Units present information to the Board relative to major or strategic projects. These types of presentations provide an effective forum for open discussions through which the directors and a Business Unit's management team can review operational and financial expectations relative to specific projects, safety performance, specific training requirements and human resource initiatives while simultaneously providing the directors with insight into the operations of specific Business Units. In addition, the directors have the opportunity to directly engage with the Corporate Office's Team Leaders in the Safety and Loss Prevention Department, IT Department, Real Property Department and Human Resources Department during those departments' annual presentations to the Board. These presentations provide the opportunity for the directors to review current initiatives and emerging trends with those individuals responsible for oversight and implementation.

#### *Education*

**External Continuing Education:** The directors are encouraged to participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Several of our directors participate in additional seminars either by virtue of their professional designations or through their voluntary election to take part in continuing education. Seminars attended in 2019 ranged from seminars put on by the Institute of Corporate Directors, PwC and industry management conferences.

**Mullen Group-Specific Education:** Mullen Group's senior management arranges for directors to have access to information on an ongoing basis pertaining to matters such as emerging trends in corporate governance, key accounting considerations, emerging issues in information technology and human

## How we Govern - An Overview of our Corporate Governance Practices

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resources metrics. Comprehensive meeting materials are posted to the board portal in advance of each board or committee meeting, together with supplementary materials as required.

### Ethical Business Conduct - Policies and Standards

We are committed to quality service with a strong culture of integrity. **Honesty, Trust, Respect and Integrity** are the most fundamental ethical values and principles upon which we operate. Our policies are meant to reinforce our workplace culture by providing a common framework and guide for establishing standards, identifying issues and addressing concerns. We have four policies that are supervised by the Board, being our Behaviour Guide - How We Conduct our Business (*i.e.*, *our code of ethics and conduct*), Integrity and Financial Concern Policy ("**Whistleblower Policy**"), External Communications and Disclosure Policy, as well as our Trading in Securities Policy. Our policies take into consideration the nature of our decentralized operating structure and are developed so as to be appropriate to our specific circumstances. The CNG Committee, together with the Audit Committee as required, reviews our policies annually and implements changes where necessary.

#### **Code of Ethics and Conduct (*i.e.*, the Behaviour Guide)**

Our Code of Ethics and Conduct is known as the Behaviour Guide. The Behaviour Guide can be found on SEDAR at [www.sedar.com](http://www.sedar.com). This document is also available upon request from our Corporate Investor Services group at [ir@mullen-group.com](mailto:ir@mullen-group.com).

All employees and directors are provided with access to the Behaviour Guide, which covers a wide range of topics and outlines the responsibilities, guidelines and ethical standards expected of our employees, including conflicts of interest, whether actual or perceived, and the disclosure of such interests. In particular, employees 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 and remain compliant with the provisions of the guide. We require our directors to annually acknowledge that they have received and read the Behaviour Guide as well as certify that their conduct is consistent with such guide.

Under the Behaviour Guide, we advocate an open door policy for our employees, encouraging them to discuss with management any issues or potential issues that may arise. The Board monitors compliance with the Behaviour Guide through quarterly reports from Mullen Group's human resources department. During 2019 there were no material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the guide.

#### **Whistleblower Policy**

In addition to the Behaviour Guide, we have a Whistleblower Policy under which a confidential, anonymous hotline has been established so that individuals can identify concerns. This hotline is hosted by an independent third party service provider. It can be accessed through the Internet at [www.whistleblowerservices.com/mtl](http://www.whistleblowerservices.com/mtl) or toll-free to **1-866-270-3866**.

The Audit Committee Chairperson monitors the hotline and reports on any matters arising thereunder to the Audit Committee and the Board at each quarterly meeting. The Audit Committee Chairperson receives all reports of issues raised through Mullen Group's whistleblower hotline, for which no material issues were identified in 2019.

#### **External Communications and Disclosure Policy**

Under this policy, we provide timely, fair and accurate disclosure of all material information relating to Mullen Group to ensure our shareholders and other stakeholders are publicly informed about our affairs.

#### **Trading in Securities Policy**

We have established a trading policy that, among other things, prohibits insider trading, addresses regular black-out periods, prohibits speculative or hedging transactions and meets the requirements of the securities regulators.

## How we Govern - An Overview of our Corporate Governance Practices

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### Conflicts of Interest

Circumstances may arise from time to time where members of the Board or officers of Mullen Group are also directors or officers of corporations, which have conflicting interests to those of Mullen Group. We monitor these situations in a number of ways including requiring our directors and officers to disclose all other companies in which they serve as an officer or a director. Any conflicts that arise will be resolved in accordance with the procedures and requirements of the *Business Corporations Act* (Alberta), including the duty of such directors and officers to act honestly and in good faith with a view to the best interests of Mullen Group. Management is required to disclose any material interest in a transaction or agreement being considered by the Board. Should a material interest arise, then such individual would not be present during the directors' meeting at which such transaction is being considered.

### Environmental, Social and Governance Management

We believe that environmental, social, and governance ("ESG") factors contribute to long-term value for our shareholders. In delivering that value, we must remain committed to workplace safety, environmental stewardship and social responsibility. Our Board oversees operational, safety and environmental risk, and monitors compliance with our HSE programs through regular reporting from management.

Our Business Units have the ability to offer multi-faceted solutions including diverse modes of transportation from over the road transportation to intermodal. We are dedicated to creating a more sustainable supply chain by innovating fleet operations, improving fuel mileage and using technology to reduce our environmental footprint.

Responsibility to reduce emissions from supply chains is becoming increasingly important in customer and corporate decision-making. Consequently, companies are reaching out to business partners with similar goals, turning fuel efficiency and emissions reductions into a business-to-business proposition. Originally launched by the United States Environmental Protection Agency (EPA) in 2004, SmartWay has been administered in Canada by Natural Resources Canada (NRCan) since 2012. The SmartWay Transport Partnership is a collaboration designed to help businesses reduce fuel costs while transporting goods in the cleanest most efficient way possible. SmartWay works with freight carriers and shippers committed to benchmarking their operations, tracking their fuel consumption and improving their annual performance. SmartWay Transport Partnership certified carriers are invested in reducing fuel costs, improving efficiency, and encouraging best practices in their freight supply chains. By moving goods in the cleanest, most efficient way possible, SmartWay Partners foster higher productivity while protecting the environment. To date, 24 of our Business Units (71.0 percent) are SmartWay Partners (which includes all of our over the road truckers).

**OUR INAUGURAL ESG REPORT  
CAN BE FOUND ON OUR  
WEBSITE AT  
[WWW.MULLEN-GROUP.COM](http://WWW.MULLEN-GROUP.COM)  
OR ON SEDAR AT  
[WWW.SEDAR.COM](http://WWW.SEDAR.COM)**

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## How we Govern - An Overview of our Corporate Governance Practices

### Nomination of Directors

Our CNG Committee develops and regularly reviews the long term plan for the composition of the Board taking into consideration the current strengths, skills and experience of the Board, retirement dates, onboarding timeframes and the strategic direction of Mullen Group. The CNG Committee is responsible for identifying and recruiting new candidates for nomination to the Board, in consultation with the Board Chairperson. The CNG Committee recommends potential candidates to the Board for approval, taking into consideration the competencies and skills necessary for the Board as a whole. To assist with this process, the CNG Committee maintains a skills matrix identifying:

- (a) the individual skills and qualifications that each director is expected to possess, which add value to Mullen Group's business functions, as well as personal attributes associated with effective boardroom dynamics and decision making processes; and
- (b) various skills and areas of expertise that it believes are important for the Board, as a whole, to ensure the Board continues to foster the long-term success of Mullen Group by providing the strategic resources that are required to carry out the Board's oversight function.

The matrix is updated every two years and is used by the CNG Committee to monitor the Board's composition and its underlying areas of expertise.

#### ***Attributes Expected of all Board Members:***

<b>Integrity / Accountability</b>	Demonstrates high ethical standards, avoids conflicts of interest, acts in the best interests of Mullen Group, and maintains the public confidence and goodwill of all Mullen Group stakeholders.
<b>Team Oriented</b>	Demonstrates the ability to function in a team environment by working effectively and collaboratively with peers. Maintains a positive attitude towards resolving conflict and developing and maintaining healthy relationships.
<b>Independence</b>	Ability to formulate or maintain one's own opinion, while remaining objective in considering other perspectives.
<b>Business Judgement/Analytical</b>	Ability to leverage one's own experience and wisdom in making sound strategic and operational business decisions. Demonstrates business acumen and a mindset for risk oversight.
<b>Commitment</b>	Availability and willingness to attend and contribute to board meetings and/or functions, travel as necessary and take leadership roles as required.
<b>Diversity</b>	Contributes to the Board in a way that enhances board perspective through one's own differences in culture, geographic origin, age, personality, gender, skill, training, educational background and/or life experience.

#### ***Attributes Required by the Board as a Whole:***

<b>Financial Experience</b>	Senior executive or consulting experience in financial accounting and reporting and corporate finance, especially with respect to debt and equity markets. Comprehensive knowledge of internal financial controls and generally accepted accounting principles. Experience in auditing, evaluating or analyzing financial statements. May have formal education in this regard.
<b>Trucking/Logistics Industry</b>	Knowledge and experience in the trucking/logistics industry throughout North America.
<b>Oil and Natural Gas Industry</b>	Knowledge and experience in or one or more areas in which the Business Units within Mullen Group's oilfield services segment operate.
<b>Leadership (Senior Level Management Experience)</b>	Experience as a senior executive officer responsible for driving strategic insight and providing direction to encourage innovation and growth.
<b>Mergers &amp; Acquisitions Experience</b>	Experience as a senior executive officer and/or legal or financial experience in merger & acquisition activity. Includes consulting roles and may include formal education in this regard.
<b>Corporate Governance Experience</b>	Senior executive experience relating to corporate governance matters (such experience includes serving in a senior role as General Counsel or Corporate Secretary and includes expertise in this regard as a result of a role in a legal or accounting firm). May include formal education or other academic training relating to the corporate governance profession (including ICD.D or other specific director's designations).
<b>Human Resources Experience</b>	Senior executive experience relating to human resources matters such as broad knowledge of employment law, compensation, organizational planning, organizational development and employee relations.
<b>International Business Experience</b>	Experience working in an organization with international operations and understanding of different political and regulatory requirements.
<b>Health, Safety and Environmental</b>	An understanding of industry regulations and public policy related to workplace health and safety.

## How we Govern - An Overview of our Corporate Governance Practices

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### Compensation

A description of our compensation practices are discussed under the heading "Our Compensation Program – Discussion and Analysis" beginning on page 36 and in the section entitled "2019 Executive Compensation" beginning on page 46.

### Board Committees

The Board has two committees, being the CNG Committee and the Audit Committee.

**In accordance with each committee's written mandate, all committee members must qualify as an "independent director" under the applicable regulatory rules and legislation. This is another mechanism we use to ensure Board independence.**

#### ***CNG Committee:***

Our CNG Committee's primary functions are to assist the Board in fulfilling certain of its oversight responsibilities by reviewing and making recommendations regarding Mullen Group's: (i) compensation policies and practices; (ii) governance policies and practices; and (iii) senior executive succession plans. Over the last few years, our CNG Committee has made significant advances in relation to addressing compensation programs, emerging governance practices and policies including Board composition, as well as monitoring the overall succession plans for Mullen Group. In addition, the CNG Committee is responsible for conducting the annual assessments described on page 35, as well as the nomination process identified under the heading entitled "Nomination of Directors" on page 30.

#### ***Written Work Plans set the Schedule***

By virtue of the committee's written mandate, the CNG Committee Chairperson is the Board's "**Lead Director**". The CNG Committee typically meets four times a year and works from a written work plan setting forth its focus for the year to ensure it meets all of its underlying responsibilities. During 2019 the CNG Committee addressed all items required under its mandate and included in its annual work plan, including the significant matters outlined in the CNG Committee Report that follows on page 32.

**Written Work  
Plans set the  
Schedule**

***[Remainder of page intentionally left blank]***

### *2019 Report from the CNG Committee*

The CNG Committee oversees Mullen Group's corporate governance practices to ensure those practices effectively meet the intention of the Guidelines while aligning with our culture. The committee monitors emerging best governance practices, implementing changes when it is deemed necessary and practical to enhance our governance processes while remaining cognizant of our decentralized operating structure.

In addition to governance oversight, we are responsible for the director nomination process and oversight of Mullen Group's compensation practices. We develop a work plan each year to ensure we will effectively monitor all areas that fall within our written mandate in a timely manner. During 2019 we met on four occasions and successfully addressed all areas within our work plan. Notable actions included:

- The annual review of our corporate policies, *i.e.*, our code of conduct known as the "Behaviour Guide - How We Conduct our Business", Whistleblower Policy, External Communications and Disclosure Policy, and Trading in Securities Policy, ensuring such policies aligned with Mullen Group's culture and core objectives.
- A thorough review and support of Mullen Group's management development process and succession plans.
- Completed the annual assessment of the Board's composition and assessed the Board's expertise in relation to those attributes important to the success of Mullen Group's Board as a whole.
- Reviewed and discussed the environmental, social and governance practices of the Corporation.
- The review and assessment of reports compiled for benchmarking purposes against the Comparator Group (refer to page 38) in relation to the various components of remuneration for directors and executive officers as well as the compensation practices of the Corporation.
- The review and approval of the 2019 Profit Share Program.
- The evaluation of the Board, its committees and the Chief Executive Officer.
- Held in camera sessions with the Chief Executive Officer for each quarter.

Moving into 2020 we will continue to monitor regulatory developments and governance best practices as they evolve, including Board diversity and environmental, social and governance management. We will further continue to focus on succession planning and board composition. As a committee, we believe Mullen Group's corporate governance practices meet the underlying responsibilities of the Guidelines while remaining appropriate to our circumstances.

*Submitted by the CNG Committee*

Sonia Tibbatts  
Lead Director and CNG Committee Chairperson

## How we Govern - An Overview of our Corporate Governance Practices

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### **Audit Committee:**

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of the financial information provided to Mullen Group's shareholders, regulatory bodies and other interested parties; (ii) compliance with accounting and finance based regulatory requirements; (iii) the internal financial control systems established by management; (iv) the work of the external auditors, including their qualifications and independence from Mullen Group; and (v) the audit process.

The written mandate for the Audit Committee requires that all members must be "**financially literate**", in addition to qualifying as an "**independent director**" under the applicable regulatory rules and legislation. We consider an individual as being financially literate if he or she can read and understand financial statements that are generally comparable to ours in breadth and complexity of issues.

We are confident that our Audit Committee is comprised of members with the expertise necessary to fulfill its mandate. The Audit Committee is currently chaired by Mr. Philip Scherman who, prior to his retirement from practice in 2012, was an audit partner of a large accounting firm. Mr. Scherman continues to be a member of the Canadian and Alberta Institutes of Chartered Professional Accountants and he was awarded the Fellow of the Chartered Professional Accountants designation by the Chartered Professional Accountants of Alberta in 2013. The Audit Committee's annual report outlining the substantive matters reviewed during 2019 follows below on page 34.

*[Remainder of page intentionally left blank]*

### *2019 Report from the Audit Committee*

The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities in relation to accounting, internal controls, financial reporting and regulatory processes, and the auditing of Mullen Group's consolidated financial statements. In doing so, annually we establish a structured work plan that aligns with our written mandate to ensure that all relevant matters are monitored and considered appropriately. During 2019 we successfully addressed each component of our written mandate and audit committee work plan. We met quarterly with management receiving comprehensive reports and presentations from the Chief Financial Officer and Corporate Controller that provided detailed results on both a consolidated and segmented basis.

In addition to the certain practices and approvals undertaken, including meeting with auditors and reviewing Mullen Group's financial results and internal control practices on a quarterly and annual basis, as well as monitoring changes to significant accounting policies, we addressed the following substantive matters:

- Monitored financial reporting developments and regulatory changes.
- Reviewed management's annual report assessing enterprise risk, and reviewed with management the processes used by management to assess, monitor and manage such risks.
- Reviewed, assessed and evaluated the provision of audit services, with the primary objective being to evaluate the expertise and independence of our Auditor.
- Reviewed and approved the provision of all non-audit services by the external Auditor.
- Participated in the annual review of corporate policies undertaken by the CNG Committee as such related to internal controls, accounting and disclosure related practices.
- Reviewed the Audit Committee mandate and work plan, implementing changes as required within the work plan. Such mandate is included as a schedule to Mullen Group's 2019 Annual Information Form, which was filed on SEDAR on February 12, 2020.
- Received and considered the quarterly reports from the Disclosure Committee.
- Considered and assessed management's annual report on adequacy of insurance coverage.
- Monitored the internal control review process and accepted the reports on the Effectiveness of Disclosure Controls and Internal Controls over Financial Reporting.
- Reviewed regulatory filings relating to the Corporation's issuance of \$125.0 million of convertible unsecured subordinated debentures.
- Monitored our Whistleblower hotline, through which no material reports were identified.
- Held separate in camera sessions with each of the Chief Executive Officer, Chief Financial Officer and Auditor for each quarter.
- Assessed the ongoing succession plan for the Chief Financial Officer.

*Submitted by the Audit Committee*  
Philip Scherman, FCPA, FCA, ICD.D  
Audit Committee Chairperson

## **How we Govern - An Overview of our Corporate Governance Practices**

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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 2019 Annual Information Form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.mullen-group.com](http://www.mullen-group.com) or on request.

### **Assessments**

#### ***Annual Evaluation of Board, Committees, Individual Directors and Peer Assessment***

The CNG Committee administers the process for assessing the effectiveness of the Board as a whole, the Chairperson of the Board, the committees of the Board, and individual directors of the Board. The annual evaluation process was designed to provide directors with an opportunity to evaluate how the Board is operating and to make suggestions for improvement. It was designed primarily to provide constructive input for the improvement of the Board "as a whole or as a unit".

A questionnaire is circulated annually to each director, which analyzes the organization and performance of the Board against the description of the Board duties and responsibilities and corporate governance best practices, and provides an opportunity for each director to evaluate his or her own performance as well as that of his or her peers. In order to achieve the latter evaluation, a peer assessment section is included in the questionnaire. The results of the evaluation are compiled by the Lead Director and reported to the CNG Committee. The results are also presented within the CNG Committee's report to the Board at which time any concerns are addressed with the Board. The directors discuss the results of the evaluation and the Lead Director conducts follow-up as required.

Each year the Chief Executive Officer completes a self-evaluation in the same manner as all other Mullen Group employees. A separate evaluation of the Chief Executive Officer is also completed by each independent director. The results of the evaluation forms are summarized by the Lead Director and addressed directly with the Chief Executive Officer, and then reported to the CNG Committee.

#### ***Policies Regarding the Representation of Women on the Board and Management***

Our Board has not adopted a written policy relating to the identification and nomination of female directors. Our Board believes that Board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of our Board at the time. Our company is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the business objectives of our company, without reference to their age, gender, race, ethnicity or religion, is in the best interests of our company and all of our stakeholders. Our Board believes this approach applies equally to executive officer positions and as such, has not adopted a policy or undertaken a formal consideration process with respect of the appointment of women to executive officer positions. Our Company has not adopted any formal targets with respect to the appointment of women to our Board or as executive officers. As of the date hereof two of our current directors are women and eighteen (21.0%) of our executive officers (inclusive of our Business Units) are women. Our Board recognizes the benefits of diversity within our Board and our Board is pleased to have our two female directors standing for re-election in 2020.

# OUR COMPENSATION PROGRAM

Our compensation program is 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 and executives with those of shareholders and our corporate goals and priorities.

This section provides an overview of our compensation practices and philosophy.

## Where to find it

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## Our Compensation Program – Discussion and Analysis

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### Overview

Our compensation programs and philosophy have been developed as a means to support the growth, diversification and long term success of a public organization. The compensation framework emphasizes the retention of executives and senior management as a key element in the performance of Mullen Group along with the strategy of maintaining a decentralized business model whereby the Business Units are incented to generate superior profitability and returns on capital deployed while simultaneously ensuring the businesses operate safely.

We review all components of our compensation framework on an annual basis to ensure such remain relative to the current market. Generally speaking we believe in - **PAY FOR PERFORMANCE** - it's a fundamental component of our compensation program for executives and senior management. To assist shareholders in understanding our approach to compensation at the senior level, a discussion follows addressing our compensation philosophy and program, together with the underlying principles and practices associated with such. Specific information relating to compensation paid to our named executive officers for 2019 can be found in the Named Executive Summary Compensation Table on page 49 and under the "Summary Discussion of Named Executive Officers 2019 Compensation" on page 50.

### Compensation Philosophy

Our compensation programs are designed to attract and retain high-quality, experienced individuals at all levels of the organization, maintain an entrepreneurial spirit by linking incentives to performance results and align the interests of senior management and executives with those of shareholders. Generally speaking, 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, both from a financial perspective and a safety perspective, is the ultimate objective.

Compensation is based upon an individual's role and areas of responsibility within our organization, individual performance, as well as the overall operating profitability and safety performance of the Business Units and the long term performance of Mullen Group. The compensation framework encompasses the following components:

- competitive base salaries and benefits;
- monthly performance plan with a focus on retention of key leaders within Mullen Group;
- annual cash incentives that focus on the financial performance of the Business Units and 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 share options for senior management.

Our approach to compensation is unique and is designed to work for Mullen Group's business model of diversified operating segments and geographic differences by ensuring that the total compensation available to employees, senior management and executives is aligned with our corporate goals.

## Our Compensation Program – Discussion and Analysis

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### ***Benchmarking***

We review the compensation practices of a wide range of organizations (the "**Comparator Group**") on an annual basis to ensure that our approach to compensation is relevant to current industry trends and practices. The companies in the Comparator Group vary in size but are similar in scope and nature in the two sectors of the Canadian economy in which Mullen Group operates – the transportation and logistics sector and the oil and natural gas service industry. These companies have a range of lower, similar and higher financial returns as compared to Mullen Group. We review the composition of the Comparator Group on an annual basis and may modify such from time to time to reflect changes in similar companies, industry mergers and acquisitions and other appropriate considerations. For 2019 the Comparator Group consisted of the following entities:

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#### **Transportation/Logistics**

TFI International Inc.

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#### **Oilfield Services**

Enerflex Ltd.

Shawcor Ltd.

Toromont Industries Ltd.

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### ***Compensation Governance***

The CNG Committee, which is comprised only of independent directors, oversees the compensation program for Mullen Group's executives and senior management. During 2019 the committee's members were Sonia Tibbatts (Chairperson), Greg Bay, Christine McGinley, Stephen Lockwood and Philip Scherman. Each of these individuals currently perform, or have performed compensation reviews and assessments, at the senior executive level within their respective professions and, as such, are capable of assessing the suitability of Mullen Group's compensation practices and its succession plans.

Following the compensation review and approval process outlined on page 39, the CNG Committee reviews Mullen Group's annual compensation program and recommends it to the Board for approval. The annual compensation program is benchmarked against the Comparator Group to ensure Mullen Group remains competitive in the marketplace, taking into consideration the following characteristics compared to those of Mullen Group:

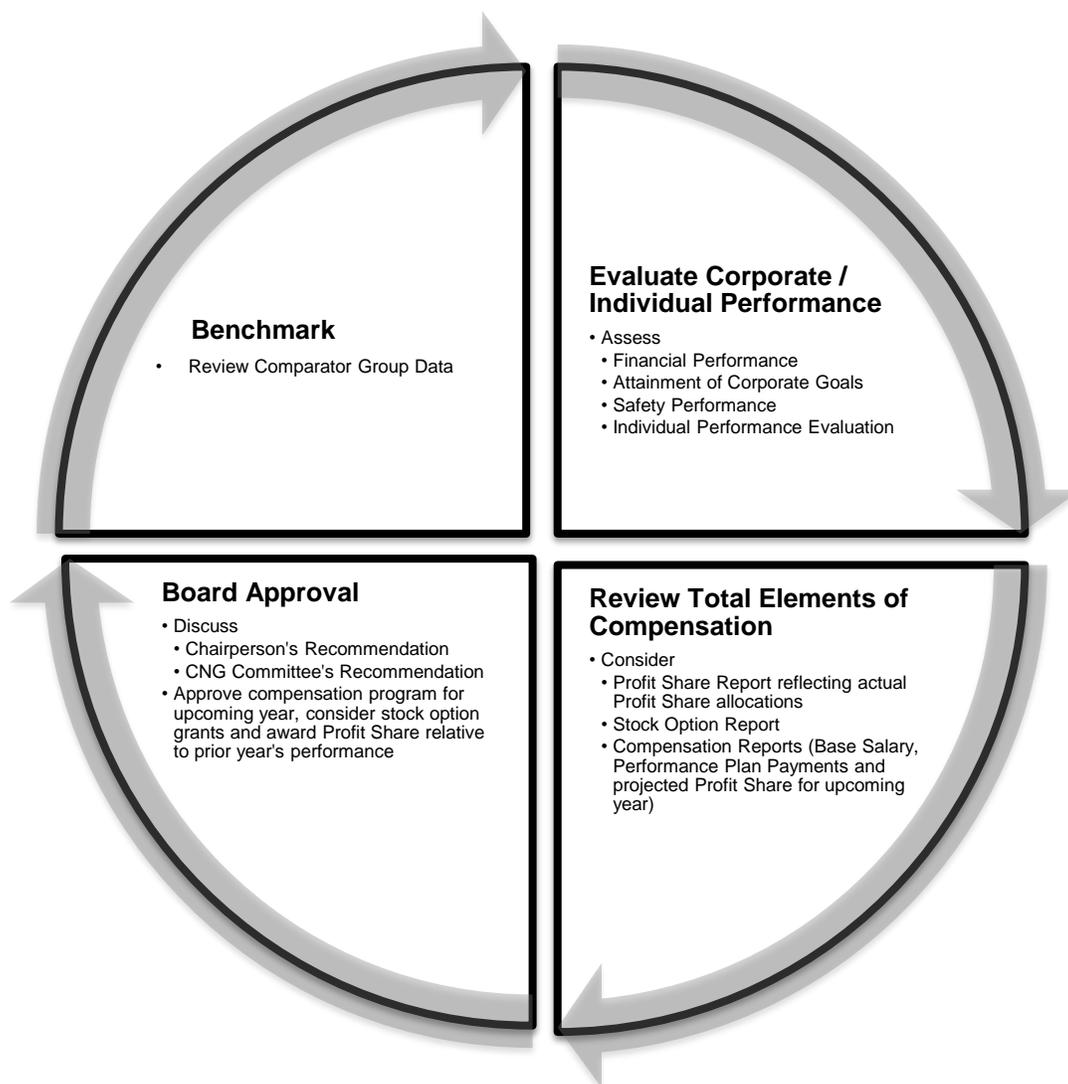
- structure of the companies;
- number of employees;
- annual revenues;
- overall financial performance measured by profitability; and
- return on capital deployed.

In reviewing these factors in 2019, the CNG Committee determined the Comparator Group compensation report was sufficient for comparative purposes given that the group was comprised of companies of similar scope and nature that generated a range of lower, similar and higher financial returns than Mullen Group. The CNG Committee and its Chairperson also have the authority to engage the services of an independent consulting firm to aid in reviewing executive compensation practices.

## Our Compensation Program – Discussion and Analysis

### Compensation Review and Approval Process

The CNG Committee recognizes its role in managing compensation risk and uses a formalized process to review our compensation program prior to making a recommendation to the Board. The compensation program for the executives and senior management is reviewed and ultimately approved by the Board through the process set forth below.



The CNG Committee believes that a compensation program comprised of salary, monthly and annual cash incentives and/or the periodic granting of equity-based compensation provides appropriate incentives for the executives and senior management to deliver superior business performance and long-term shareholder returns. This program provides a total compensation package that is competitive with our Comparator Group and is designed to complement 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 total compensation for executives and senior management is determined by the overall performance of Mullen Group. Working closely with the Chairperson, the CNG Committee oversees our compensation programs through the review and approval process to ensure that senior level compensation is aligned with our corporate goals.

## Our Compensation Program – Discussion and Analysis

The program is based upon four primary objectives:

- attract and retain the best qualified people;
- provide annual incentives that reward the attainment of annual profit objectives by the Business Units;
- maximize the return on capital deployed in the organization without taking undue balance sheet risk or other risks; and
- strive for best-in-class safety performance using total claims to revenue, lost-time injuries and significant incidents as the primary benchmarks.

Both the CNG Committee and the Board remain satisfied that our compensation review and approval practices are appropriate and effective for the purposes of carrying out Mullen Group's compensation review. The CNG Committee will continue to monitor the individual components of our compensation program in relation to the dynamic and changing nature of the market to ensure our total compensation program for the executives and senior management remains in the best interest of the Corporation and our shareholders.

### Compensation Program

#### *Total Elements of Compensation*

The overall compensation program for the executives and senior management is comprised of four primary components - base salaries and benefits, monthly performance payment, annual profit share and the periodic granting of stock options (long-term incentive).

Component	Base Salaries	Monthly Performance Plan	Annual Profit Share	Long-term Incentive
<b>Form</b>	Fixed	Variable	Variable	Variable
<b>Performance Period</b>	Annual	Monthly	Annual	1 - 10 years
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Basic compensation</li> <li>• Competitive benefits package</li> </ul>	<ul style="list-style-type: none"> <li>• Based on number of performance units held and monthly dividend set by Board</li> <li>• Promotes shareholder alignment</li> <li>• Retention incentive</li> </ul>	<ul style="list-style-type: none"> <li>• Rewards strategic, financial, safety and operational performance over a one year period</li> <li>• Retention incentive</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns interests with shareholders</li> <li>• Links compensation to Mullen Group's long term success</li> <li>• Retention incentive</li> </ul>

Our approach is designed to provide executives and senior management with an overall compensation package that rewards superior performance in profitability and safety. 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 Business Units within Mullen Group, and to the long term performance of Mullen Group as determined by share price appreciation through the issuance of options. The annual profit share component of our compensation program remains an integral part of Mullen Group's approach to compensating executives and senior management. The profit share plan is described on page 41 under the heading "Annual Profit Share".

In July 2018, we introduced a monthly performance plan in recognition that the stock options issued to our employees held no value as all stock options issued to date had been issued at a higher share price than our current share price. Details relating to the monthly performance plan can be found on page 41 under the heading "Corporate Performance Plan".

## Our Compensation Program – Discussion and Analysis

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### **Base Salaries and Benefits**

In general, we strive to set executives' and senior management's annual base salaries in the lower range of comparable roles within the Comparator Group. This is primarily due to our objective of pay for performance. In setting base salaries the CNG Committee consults with the Board Chairperson and considers the specific role of the individual, exercising discretion in determining the overall compensation to ensure Mullen Group attracts and retains qualified individuals. In addition to base salary, all senior management (excluding the Executive Team) are eligible for an annual employment bonus in the amount of \$2,500 on the same basis as all other employees, provided they are employed by Mullen Group for the entire year. As well, health benefits are provided for senior level personnel on the same basis as other employees.

### **Corporate Performance Plan**

The corporate performance plan ("**Performance Plan**") is designed to attract and retain high-quality individuals at all levels of our organization, maintain an entrepreneurial spirit by linking incentives to performance results and align the interests of senior management and executives at Mullen Group and our Business Units with those of shareholders and our corporate goals and priorities. The payment under the Performance Plan is issued out on a monthly basis and is calculated based on the number of performance plan units held by an employee and multiplied by the monthly per share dividend set by the Board. Under our Stock Option Plan, Share Options were originally granted to an employee based upon a number of criteria including but not limited to profitability, safety performance and size of the Corporation and/or its Business Units. We have used a similar rationale in determining the number of performance plan units awarded to a given employee under the Performance Plan.

The payments under the Performance Plan are considered on a monthly basis and each month during the year ended December 31, 2019, such monthly payments were approved and paid to eligible participants thereunder. Payment entitlements approved under the Performance Plan are at the discretion of the Board and the Performance Plan may be terminated by the Board at any time.

### **Annual Profit Share**

The profit share plan (the "**Profit Share Plan**"), is based upon a combination of operating profitability and return on invested capital in the organization. We define invested capital as the net book value of property, plant and equipment as determined by the balance sheet of each Business Unit. Generally speaking, profit share accrues to the extent that Business Unit's return on invested capital exceeds the minimum threshold of fifteen percent (the "**ROIC Criteria**"). In 2019 five (5) Business Units (16.0 percent) fell under the ROIC Criteria.

There are occasions where "**invested capital**" is not the appropriate method for determining how the profit share for a Business Unit should be calculated. In those instances, profit share accrues based on a percentage of earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), calculated in accordance with International Financial Reporting Standards ("**IFRS**") excluding the impact of IFRS 16 - Leases. Through this methodology, five percent of a Business Unit's EBITDA (the "**EBITDA Criteria**") is placed in the profit share pool. In 2019 twenty-seven (27) Business Units (84.0 percent) fell under the EBITDA Criteria.

The accrued benefits form the profit share pool, subject to any discretionary adjustments, are then allocated on an annual basis to:

- eligible employees at each Business Unit based upon the profitability of such entity;
- eligible employees at Mullen Group's Corporate Office based upon the collective performance of all Business Units; and
- Mullen Group's senior executive officers, being Murray K. Mullen, P. Stephen Clark, Richard J. Maloney, Carson Urlacher and Joanna K. Scott (collectively, the "**Executive Team**") based upon

## **Our Compensation Program – Discussion and Analysis**

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the profit share generated under the ROIC or EBITDA Criteria. Specific information relating to the 2019 profit share allocations authorized for the Executive Team under the Profit Share Plan can be found in the Named Executive Summary Compensation Table on page 49 and under the Summary Discussion of Named Executive Officers 2019 Compensation on page 50.

### ***Discretionary Adjustments***

At the CNG Committee's discretion, the aggregate amount of the profit share pool can be reduced based upon the overall performance of Mullen Group. In addition, a Business Unit's allocation may be reduced upon the recommendation of the Board Chairperson or the CNG Committee if safety, operational or financial concerns are identified, thereby ensuring individuals do not take undue risks.

### ***Allocation Approvals***

Each year the CNG Committee:

- reviews the Profit Share Plan;
- reviews the annual profit share allocations to the senior management and executives;
- reviews the annual profit share allocations to the senior management at the Business Units; and
- recommends to the Board the amount to be set as the profit share pool for the purpose of calculating the Executive Team's profit share entitlement.

### ***Compensation Risk***

The CNG Committee and the Board has considered the implications of the risks associated with our compensation policies and practices and has determined that there are no significant areas of risk given the nature of the compensation provided. Reasons for this determination include, without limitation, the following:

- components of the compensation are awarded on a discretionary basis;
- the compensation package for Named Executives is reviewed and assessed annually by the CNG Committee and the Board; and
- the compensation program consists of fixed (base salary) and variable (monthly and annual cash bonuses, profit sharing and long-term Share Option grants) components, which are designed to balance the level of risk taking while also focusing on generating long-term and sustainable value for shareholders.

Share Options generally vest after three years from grant, which acts to further mitigate against the potential for inappropriate short term risk taking; and, other than the voluntary waiver of the receipt of an annual salary by Mr. Murray K. Mullen, there are no compensation policies and practices that are structured significantly different for any Named Executives. The CNG Committee and the Board will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that the Corporation's compensation program is appropriately structured.

## Our Compensation Program – Discussion and Analysis

### Option-Based Awards – Long-term Incentives

We currently have one form of long-term incentive plan, being option based awards (the "**Share Options**") granted under our stock option plan (the "**Stock Option Plan**"). The Stock Option Plan was established to:

- provide an incentive for eligible personnel to achieve the long-term objectives of Mullen Group;
- give suitable recognition to the ability and efforts of those individuals who contribute materially to our success; and
- attract and retain individuals of experience and ability in our employ;

by providing them with the opportunity to acquire a proprietary interest in Mullen Group - thereby aligning the long-term interests of those individuals with our shareholders. The eligible personnel under the Stock Option Plan include our directors, officers, employees, consultants or an affiliate thereof, and persons providing services on an ongoing basis thereto.

The Share Option component of our Compensation Program generally provides for eligible personnel to be granted up to a set number of Share Options based upon their role within Mullen Group, their performance, any changes in nature of their duties and responsibilities and prior Share Option grants. The granting of Share Options is approved by the Board, following recommendation from the Board Chairperson and the CNG Committee, with the pricing established by using the five day weighted average price of Mullen Group's Common Shares, as recorded by the TSX, for the five day period immediately preceding the date of grant. Unless otherwise determined by the Board, Share Options generally vest after a three year period and any unexercised Share Options expire at the end of ten years. The most recent grant of November 6, 2017 had a graduated vesting period whereby one-third of the options vest after one year, another third after two years and the remaining third after three years.

Share Options: Long-Term Incentive		
Features	Vesting	Expiry Term
Can be exercised for Common Shares or "in the money" cash amount	Set by the Board <i>(generally three years after date of grant)</i>	10 years from date of grant

Each Share Option is exercisable for one Common Share. Mullen Group has engaged Computershare to act as the administrator of the Stock Option Plan thereby facilitating the exercise of Share Options for our employees. This provides a mechanism through which the optionees can exercise their Share Options to acquire and hold Common Shares or to conduct a cashless exercise, which allows the optionee to receive in cash the difference between the exercise price of the Share Option and the market price of the Common Shares on the date of exercise, less withholdings required by law and other related expenses.

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## Our Compensation Program – Discussion and Analysis

### Details of the Stock Option Plan

The Stock Option Plan was approved by our shareholders in May 2009 on the following basis:

#### Plan Restrictions

Number of Common Shares reserved for issuance under the Stock Option Plan	<ul style="list-style-type: none"><li>➤ 4,000,000 in the aggregate, which was approximately 5% of the issued and outstanding Common Shares at the time the plan was approved by the shareholders (<i>i.e.</i>, May 2009).</li><li>➤ For insiders (excluding non-management directors) and when combined with all of Mullen Group's other security based compensation arrangements, no more than 10% of the total Common Shares issued and outstanding.</li><li>➤ For non-management directors as a group, no more than 1% of the issued and outstanding Common Shares.</li></ul>
Number of Common Shares that can be issued in a one-year period when combined with all of Mullen Group's other security based compensation arrangements	<ul style="list-style-type: none"><li>➤ No more than 10% of the total Common Shares issued and outstanding may be issued to insiders collectively.</li><li>➤ No more than 5% of the total Common Shares issued and outstanding may be issued to any one insider.</li></ul>
Assignable	<ul style="list-style-type: none"><li>➤ Not assignable.</li></ul>

#### Pricing of Share Options

- Fixed by the Board, subject to pricing and other restrictions imposed by the relevant regulatory authorities and, accordingly not for less than market price.
- "market price" is the weighted average trading price of the Common Shares on the TSX for the five consecutive trading days immediately preceding the date of grant of a Share Option.

#### Termination

Resignation, Retirement, Termination or Death	<ul style="list-style-type: none"><li>➤ May exercise vested Share Options in accordance with the option agreement(s) between Mullen Group and the optionee.</li></ul>
Change of Control	<ul style="list-style-type: none"><li>➤ The Board is permitted to amend the option agreement to permit the exercise of any or all of the remaining Share Options prior to the completion of any such transaction.</li></ul>

In 2017, our shareholders approved an amendment to our 2009 Stock Option Plan to increase the number of shares reserved for issuance by 4,000,000 to a maximum of 8,000,000 (which represents 0.08 percent of the issued and outstanding Common Shares of the Corporation).

In addition to the foregoing, the Board is authorized to amend or terminate the Stock Option Plan at any time without the approval of the Shareholders in order to conform the Stock Option Plan to applicable law or regulation or the requirements of any relevant stock exchange or regulatory authority, whether or not that amendment or termination would affect any accrued rights, subject to the approval of that stock exchange or regulatory authority. The Board may amend or terminate the Stock Option Plan for any reason other than the reasons set forth above without the approval of the Shareholders. Notwithstanding the foregoing, without the prior approval of the Shareholders, or such approval as may be required by any relevant stock exchange or regulatory authority, the Board may not, (a) make any amendment to the Stock Option Plan to increase the number of shares reserved for issuance on exercise of outstanding Share Options at any

## Our Compensation Program – Discussion and Analysis

time; (b) reduce the exercise price of any outstanding Share Options held by insiders; (c) extend the term of any outstanding Share Option beyond the option period for any Share Option held by insiders; (d) make any amendment to the Stock Option Plan to increase the maximum limit on the number of securities that may be issued to insiders; (e) make any amendment to the Stock Option Plan to increase the maximum number of Common Shares issuable to members of the Board (excluding senior officers of Mullen Group and its subsidiaries); or (f) make any amendment to the Stock Option Plan's amendment procedures. In addition, no amendment to the Stock Option Plan may be made without the consent of an eligible participant to the plan, if it adversely alters or impairs any Share Option previously granted to such eligible participant under the Stock Option Plan. Any amendments to the Stock Option Plan are subject to acceptance and approval by any stock exchange on which the Mullen Group shares are listed. Any Share Options granted prior to that approval and acceptance shall be conditional on that approval and acceptance being given and no such Share Options may be exercised unless and until that approval and acceptance is given.

### Equity Compensation Plan Information as at December 31, 2019

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	3,280,000	19.22	3,487,500
Equity compensation plans not approved by securityholders		N/A	N/A	N/A
<b>Total</b>		3,280,000 <sup>(1)</sup>	19.22	3,487,500 <sup>(2)</sup>

<sup>(1)</sup> Represents 0.031 percent of the issued and outstanding Common Shares of the Corporation.

<sup>(2)</sup> Represents 0.033 percent of the issued and outstanding Common Shares of the Corporation.

The range of exercise prices for options outstanding at December 31, 2019 was as follows:

Range of Exercise Prices	Options Outstanding			Exercisable Options	
	Number	Weighted average remaining contractual life (years)	Weighted average exercise price	Number	Weighted average exercise price
\$16.15 to \$16.72	1,527,500	7.22	\$ 16.67	1,042,481	\$ 16.67
\$16.73 to \$20.77	1,207,500	4.19	20.35	1,207,500	20.35
\$20.78 to \$28.07	545,000	3.18	23.85	545,000	23.85
\$16.15 to \$28.07	3,280,000	5.44	\$ 19.22	2,794,981	\$ 19.66

The "burn rate" under the Stock Option Plan was 0.015 percent for 2017, 0.0008 percent for 2018 and 0.00 percent for 2019. The "burn rate" was calculated by dividing:

- (i) The number of options granted in the applicable year; by
- (ii) The weighted average number of outstanding securities of the Corporation for the applicable year.

# 2019 EXECUTIVE COMPENSATION

Under our compensation program, compensation is based upon an individual's role, areas of responsibility and individual performance, while taking into consideration Mullen Group's overall operating profitability and safety performance.

This section of our information circular tells you how we compensate our Chief Executive Officer (CEO), Chief Financial Officer (CFO) and our three most highly compensated executives (our named executives):

- **Murray K. Mullen**, Chairman, CEO and President
- **P. Stephen Clark**, CFO
- **Richard J. Maloney**, Senior Vice President
- **Joanna K. Scott**, Corporate Secretary & Vice President, Corporate Services
- **Carson P. Urlacher**, Corporate Controller

## Where to find it

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## Named Executive Officers - 2019 Compensation

### Overview

Under our compensation program, compensation is based upon an individual's role, areas of responsibility and individual performance, while taking into consideration Mullen Group's overall operating profitability and safety performance. Our financial and operating performance is closely monitored by and influenced through the direction of Mullen Group's Corporate Office and, in particular, the Executive Team.

### **2019 Named Executive Officers (collectively, the "Named Executives")**

Name	Position	Service Date
Murray K. Mullen	Chairperson of the Board, Chief Executive Officer and President	May 1, 1975
P. Stephen Clark	Chief Financial Officer	December 1, 1997
Richard J. Maloney	Senior Vice President	April 11, 2000
Carson Urlacher	Corporate Controller	June 9, 2006
Joanna K. Scott	Corporate Secretary and Vice President, Corporate Services	June 16, 2014

### **2019 Financial and Operating Performance**

Mullen Group's 2019 financial and operating performance was closely in line with our expectations generating approximately \$1.28 billion in revenue and operating income of approximately \$200.9 million. Further, we maintained payment of annual dividends to our shareholders in the amount of \$0.60 per Common Share. Our full operating results are provided in our 2019 Annual Financial Statements and 2019 MD&A, both of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com) and our website at [www.mullen-group.com](http://www.mullen-group.com).

We also endorse a disciplined approach to safety. We strive to have our safety results represent best-in-class performance. In 2019, we maintained our best in class safety performance with improved results year over year in both total recordable injury frequency and gross claims to revenue. Our safety results continue to exceed industry averages on all measured fronts. In evaluating our safety performance, we measure three primary metrics, the results of which are presented below on a year over year basis.

	Target	2019	2018
<b>Injury Lost Time Claim Frequency<sup>(1)</sup></b>	1.0 or less	1.03	0.81
<b>Injury Total Recordable Injury Frequency<sup>(2)</sup></b>	4.0 or less	3.10	3.17
<b>Gross Claims to Revenue</b>	1.0% or less	0.64%	0.87%

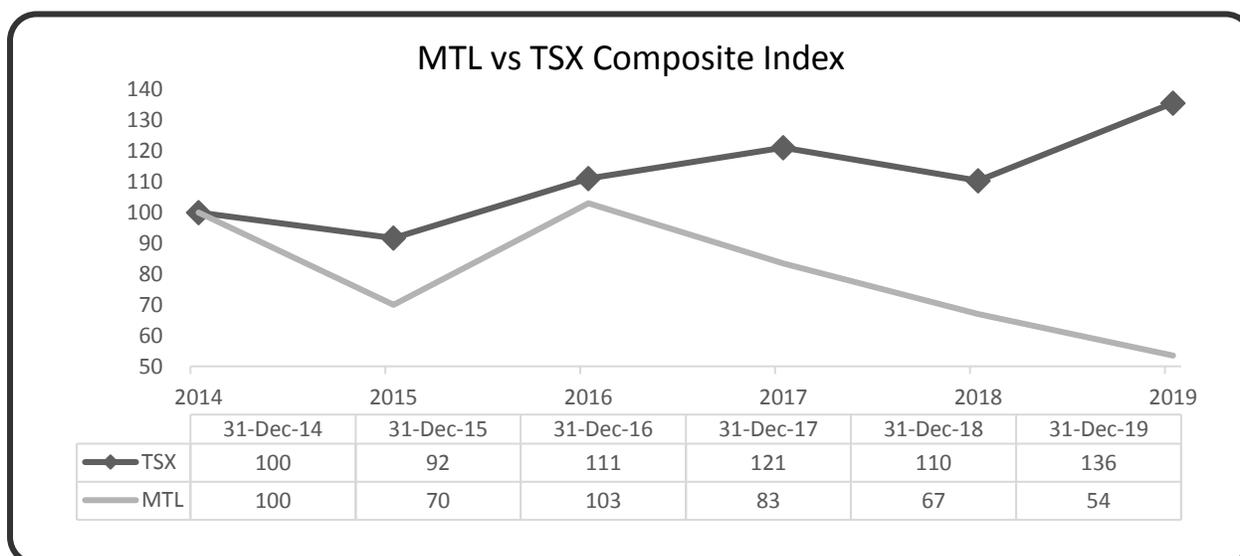
<sup>(1)</sup> Lost Time Claim means a work related injury or illness acceptable by the WCB that renders a worker unable to work in any capacity on their regular scheduled work day.

<sup>(2)</sup> Total Recordable Injury means the total number of all reportable injury claims.

## Named Executive Officers - 2019 Compensation

### Share Performance Graph

The following table and graph illustrate the cumulative return of our Common Shares at the end of each financial year, assuming an initial investment of \$100 on December 31, 2014, compared to the S&P/TSX Composite Total Return Index, assuming the reinvestment of all declared dividends and distributions where applicable.



We do not base our compensation strategy on the premise that there is an inherent connection between base salary levels and our share performance, rather salary determination is based upon market competitiveness, overall economic conditions and individual performance. There is also a level of correlation between the Share Option component of Mullen Group's compensation and share performance as the determination of the Share Options' value is based upon, among other things, share performance and volatility.

### Compensation Program Allocation

In general, we provide the Named 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 Business Units as well as the long-term performance of Mullen Group as determined by share price appreciation. The Named Executive's pay mix for the 2019 year is set forth below identifying the percentage of compensation that is dependent upon the profitability of Mullen Group. As reflected in this table, a substantial percentage of the Named Executives overall compensation is derived from performance based, or "at risk", elements.

Named Executive	2019 Performance Based Compensation			
	Base Salary/Benefits (%)	Profit Share Allocation (%)	Performance Plan (%)	Long-Term Incentive (%)
Murray K. Mullen	0%	100%	0%	0%
P. Stephen Clark	32%	50%	18%	0%
Richard J. Maloney	26%	53%	21%	0%
Joanna K. Scott	34%	46%	20%	0%
Carson Urlacher	35%	53%	12%	0%

## Named Executive Officers - 2019 Compensation

Set forth below is the summary of the compensation paid to the Named Executives for the past three years, followed by a brief discussion of such compensation on page 50.

### Named Executive Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation			All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)	Pension value (\$)		
Murray K. Mullen, Chairperson of the Board, Chief Executive Officer And President	2019	Nil <sup>(1)</sup>	N/A	Nil	570,000 <sup>(2)(7)</sup>	N/A	N/A	Nil	570,000
	2018	Nil <sup>(1)</sup>	N/A	Nil	570,000 <sup>(2)</sup>	N/A	N/A	Nil	570,000
	2017	Nil <sup>(1)</sup>	N/A	Nil	570,000 <sup>(2)</sup>	N/A	N/A	Nil	570,000
P. Stephen Clark, Chief Financial Officer	2019	200,000	N/A	Nil	312,000 <sup>(2)</sup>	N/A	N/A	114,000 <sup>(8)</sup>	626,000
	2018	200,000	N/A	Nil	285,000 <sup>(2)</sup>	N/A	N/A	66,500 <sup>(3)</sup>	551,500
	2017	194,615 <sup>(6)</sup>	N/A	165,500 <sup>(5)</sup>	285,000 <sup>(2)</sup>	N/A	N/A	Nil	645,115
Richard J. Maloney, Senior Vice President	2019	150,000	N/A	Nil	312,000 <sup>(2)</sup>	N/A	N/A	126,000 <sup>(8)</sup>	588,000
	2018	150,000	N/A	Nil	285,000 <sup>(2)</sup>	N/A	N/A	73,500 <sup>(3)</sup>	508,500
	2017	138,462 <sup>(6)</sup>	N/A	165,500 <sup>(5)</sup>	285,000 <sup>(2)</sup>	N/A	N/A	Nil	588,962
Joanna K. Scott, Corporate Secretary and Vice President, Corporate Services	2019	150,000	N/A	Nil	200,000 <sup>(2)</sup>	N/A	N/A	90,000 <sup>(8)</sup>	440,000
	2018	150,000	N/A	Nil	175,000 <sup>(2)</sup>	N/A	N/A	52,500 <sup>(3)</sup>	377,500
	2017	144,808 <sup>(6)</sup>	N/A	165,500 <sup>(5)</sup>	175,000 <sup>(2)</sup>	N/A	N/A	Nil	485,308
Carson Urlacher, Corporate Controller	2019	130,000	N/A	Nil	200,000 <sup>(2)</sup>	N/A	N/A	45,000 <sup>(8)</sup>	375,000
	2018	130,000	N/A	Nil	150,000 <sup>(2)</sup> 2,500 <sup>(4)</sup>	N/A	N/A	26,250 <sup>(3)</sup>	308,750
	2017	130,000	N/A	165,500 <sup>(5)</sup>	125,000 <sup>(2)</sup> 2,500 <sup>(4)</sup>	N/A	N/A	Nil	423,000

Notes:

- <sup>(1)</sup> At Mr. Murray Mullen's request his base salary has been adjusted to a nominal amount, with his compensation being derived solely from the profit share component of Mullen Group's Compensation Plan.
- <sup>(2)</sup> Profit share entitlement.
- <sup>(3)</sup> Performance Plan Payment received from July 2018 to December 2018.
- <sup>(4)</sup> Employment bonus earned. (Most Mullen Group Corporate Office employees are eligible for an annual \$2,500 employment bonus, provided the parameters of the bonus program are met). Members of the executive are not eligible for the employment bonus. However, as Carson Urlacher joined the executive team half way through 2018, he was eligible for the 2018 employment bonus.
- <sup>(5)</sup> In November 2017, the directors granted option-based awards to these individuals 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. 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 Merton methodology set forth in the Handbook which dollar value remains unchanged as at February 29, 2020. Assumptions used in this calculation using the Black Scholes Merton method are expected share price volatility, expected life, expected risk-free interest rate, expected dividend yield and expected forfeiture rate.
- <sup>(6)</sup> Richard Maloney, Joanna Scott and Stephen Clark took time off without pay during the 2017 year. As such, Mr. Maloney's base salary of \$150,000 was reduced by \$11,538. Ms. Scott's base salary of \$150,000 was reduced by \$5,192. Mr. Clark's base salary of \$200,000 was reduced by \$5,384.
- <sup>(7)</sup> Mr. Mullen, although entitled to a larger profit share payment of \$625,000, opted to have his profit share remain at his 2018 level in large part due to the decline in the Corporation's share price.
- <sup>(8)</sup> Performance Plan Payment received from January 1, 2019 to December 31, 2019.

## Named Executive Officers - 2019 Compensation

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### **Summary Discussion of Named Executive Officers 2019 Compensation**

During 2019 the CNG Committee reviewed the compensation reports, considered the attainment of corporate goals and reviewed the Corporation's financial and safety results. The CNG Committee also benchmarked Mullen Group's 2019 compensation program with the Comparator Group compensation report, determining such was an appropriate comparative tool for reviewing the Named Executives' compensation since the Comparator Group encompassed entities having a range of lower, similar and higher financial returns than that of Mullen Group.

In reviewing compensation for the Named Executives, the CNG Committee reviewed the referenced reports in consultation with the Chairman, Mr. Murray K. Mullen. Following review of the data and giving consideration to evolving roles, responsibilities and job requirements of these Named Executives, as well as Mullen Group's overall compensation philosophy, the four primary components of the 2019 compensation program (as described on page 37) were determined as follows:

#### **Base Salaries**

- In accordance with Mr. Mullen's request, his base salary was set at a nominal amount. As a leader in our company, and as a key architect of our overall business strategy and growth since going public in 1993, Mr. Mullen initially made this request in mid-2009 in response to the economic downturn and cost cutting measures implemented by Mullen Group at that time. Since that time Mr. Mullen has continued to request that his compensation be derived solely from the Profit Share Plan component of our compensation program which request has been made again for 2020.

#### **Performance Plan**

- Monthly performance bonus implemented in July 2018 as a retention initiative and to recognize that employee Share Options hold no value in today's market.
- Although not a form of equity compensation, the performance bonus is calculated by multiplying the number of performance plan units held by an employee by the amount of the Corporation's per Common Share dividend. Performance plan units are awarded based on an executive's roles and responsibilities, performance within role, size and profitability of Corporation as well as overall safety results.

#### **Profit Share**

- Approximately \$12.5 million was generated by the Business Units under the Profit Share Plan in 2019.
- Following a review of the operating and safety performance for 2019, the CNG Committee approved an aggregate \$12.5 million for allocation under the profit share pool ("**Approved Pool**").
- In accordance with each individual's terms of employment, the following members of the Executive Team are entitled to receive either a discretionary amount or a set percentage of the amount allocated to the aggregate profit share pool as follows:
  - Mr. Mullen is entitled to five percent of the Approved Pool;
  - Messrs. Clark and Maloney each are entitled two and a half percent of the Approved Pool;
  - Ms. Scott and Mr. Urlacher are entitled to a discretionary profit share amount consistent with their roles and responsibilities within Mullen Group.

## Named Executive Officers - 2019 Compensation

Notwithstanding the foregoing, Mr. Mullen would have been entitled to a larger profit share award in 2019 over that of 2018, however, Mr. Mullen elected to receive the same profit share allocation as awarded in 2018 in large part due to decline in the share price of Mullen Group.

### Long Term Incentives - Executive Team

Share Options were granted to Stephen Clark, Richard Maloney, Carson Urlacher and Joanna Scott in 2017 to complement their base salaries and profit share allocations in relation to their evolving roles within Mullen Group, thereby providing an appropriate level of both long and short-term incentives for these individuals, the details of which are set forth in the following section entitled "Named Executives' Outstanding Share-Based Awards and Option-Based Awards".

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

On November 6, 2017, Mullen Group's Board determined that it would be appropriate to grant Share Options to certain management employees as a long-term incentive. A total of 1,520,000 Share Options were granted to certain management employees and executives of Mullen Group and its Business Units. The Share Options granted to those individuals vest on a graduated basis with one-third of the options vesting on November 6, 2018, one-third vesting on November 6, 2019 and the remaining one-third vesting on November 6, 2020. These options were granted at a strike price of \$16.72, which was 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 considered the previous grants of options.

The following sets forth all option-based awards outstanding as of the year ended December 31, 2019 for each Named 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 (\$)	Market or payout value of vested share-based awards not paid out of distributed (\$)
Murray K. Mullen, Chairperson of the Board, Chief Executive Officer and President	Nil	N/A	N/A	N/A	N/A	N/A	N/A
P. Stephen Clark, Chief Financial Officer	40,000 25,000 25,000 50,000 50,000	19.20 21.36 22.86 20.77 16.72	January 24, 2021 May 6, 2022 January 24, 2023 May 3, 2025 November 5, 2027	Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup>	N/A	N/A	N/A
Richard J. Maloney, Senior Vice President	20,000 40,000 25,000 25,000 50,000 50,000	16.33 19.20 21.36 22.86 20.77 16.72	January 12, 2020 January 24, 2021 May 6, 2022 January 24, 2023 May 3, 2025 November 5, 2027	Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup>	N/A	N/A	N/A
Joanna K. Scott, Corporate Secretary and Vice President, Corporate Services	75,000 25,000 50,000	27.86 20.77 16.72	August 5, 2024 May 3, 2025 November 5, 2027	Nil <sup>(1)</sup> Nil <sup>(1)</sup> Nil <sup>(1)</sup>	N/A	N/A	N/A
Carson Urlacher, Corporate Controller	25,000 50,000	20.77 16.72	May 3, 2025 November 5, 2027	Nil <sup>(1)</sup> Nil <sup>(1)</sup>	N/A	N/A	N/A

<sup>(1)</sup> Calculated based on the difference between the market price of the Common Shares (\$9.16) at the close of business on December 31, 2019, and the exercise price of the Share Options.

## Named Executive Officers - 2019 Compensation

### Incentive Plan Awards

Under NI 51-102 we are required to disclose information relating to long-term incentives provided to Named Executives in the form of share-based awards and option-based awards. Mullen Group does not have share-based awards as such is defined within NI 51-102. Rather, as previously discussed, we provide long-term incentives to our Named Executives through the issuance of Share Options under the Stock Option Plan. The terms of all of the plan-based awards can be found in the section entitled "Our Compensation Program – Discussion and Analysis commencing on page 36. Information on the option-based awards issued to the Named Executives follows.

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

The only equity-based incentive plan award provided to the Named Executives are Share Options. The following table sets forth the value of each Named Executive's option-based awards that vested during the year ended December 31, 2019, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Murray K. Mullen, Chairperson of the Board, Chief Executive Officer and President	N/A	N/A	\$570,000 <sup>(1)</sup>
P. Stephen Clark, Chief Financial Officer	\$Nil <sup>(2)</sup>	N/A	\$426,000 <sup>(3)</sup>
Richard J. Maloney, Senior Vice President	\$Nil <sup>(2)</sup>	N/A	\$438,000 <sup>(3)</sup>
Joanna K. Scott, Corporate Secretary and Vice President, Corporate Services	\$Nil <sup>(2)</sup>	N/A	\$290,000 <sup>(3)</sup>
Carson Urlacher, Corporate Controller	\$Nil <sup>(2)</sup>	N/A	\$245,000 <sup>(3)</sup>

Notes:  
<sup>(1)</sup> Profit Share award.  
<sup>(2)</sup> Calculated based on the difference between the exercise price of the options and the market price of the Common Shares at the close of business on November 7, 2019 (\$8.17), being the first business day following the date such options vested.  
<sup>(3)</sup> Profit Share award and Performance Plan payment received.

### Option Repricing

Mullen Group did not reprice any Share Options during the 2019 fiscal year.

### Hedging Policy

Mullen Group has a Trading in Securities Policy that, among other things, prohibits the Named Executives from engaging in any form of hedging activity in relation to our securities.

### Named Executives' Pension Plan Benefits

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

### Deferred Compensation Plans

Mullen Group does not have any deferred compensation plans relating to its Named Executives.

### Other Benefits

Mullen Group established an ESPP to encourage our employees' ownership in our company. All eligible employees, including the Named Executives, may participate in such plan. Under the plan, employees may contribute up to ten percent of their salary through regular payroll deductions to acquire Common Shares

## Named Executive Officers - 2019 Compensation

of Mullen Group. Mullen Group pays the brokers fees and other expenses related to the acquisition of the Common Shares. The employees are responsible for any costs associated with the sale of shares.

### ***Employment Agreements and Named Executives' Termination and/or Change of Control Benefits***

Mullen Group does not have any formal employment contracts with our Named Executives. Similar to the employment processes established for all our employees, each Named Executive's personnel file contains a memorandum outlining the basic terms of his or her employment with Mullen Group. We do not have any agreement or arrangement with a Named Executive relating to the payment of compensation in the event of resignation, retirement or termination of employment, a change of control of Mullen Group or its Business Units or a change in a Named Executive's responsibilities following a change of control.

#### **Mullen Group does not:**

- **Have agreements or arrangements in place for change of control payments**
- **Pay out incentive programs when unwarranted by performance**
- **Provide excessive perquisites**

### ***Loans to Directors and Named Executives***

None of our directors, Named Executives or former directors or officers, 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 the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Mullen Group or any of its subsidiaries.

### ***Directors and Officers Liability Insurance***

We have liability insurance for our directors and officers to protect them against liabilities they may incur in their capacity as directors and officers. We maintain annual primary coverage of \$15.0 million, with excess coverage of \$15.0 million. We paid premiums for the current coverage year of approximately \$158,129. The insurance carries a deductible of \$100,000 (except for securities claims, which carries a \$250,000 deductible). This coverage is reviewed annually.

## **Compensation Philosophy for Non-Management Directors**

The CNG Committee oversees the remuneration program for our directors, the primary objectives of which are intended to:

- attract and retain high-quality, experienced individuals with a diverse background of experience and interests;
- compensate our directors at a level reflecting the oversight risks and responsibilities they assume while serving on our Board; and
- offer a total remuneration package that is comparable to our Comparator Group (refer to page 38).

Our non-management directors are remunerated for services rendered in their capacity as directors by way of a combination of retainer fees and meeting attendance fees (the "**Directors' Remuneration**"). We believe this ensures the primary remuneration objectives are met, while ensuring our directors are unbiased when making decisions and carrying out their oversight duties while serving on our Board. Mr. Murray

## Named Executive Officers - 2019 Compensation

Mullen being an employee of Mullen Group, does not receive Directors' Remuneration for his respective role as a director.

The Directors' Remuneration is reviewed annually by the CNG Committee and recommendations are made to the Board following a review of market data from the Comparator Group. In 2016, the CNG Committee recommended to the Board, which the Board unanimously approved, that the retainer fees for non-management directors be reduced by 20 percent as a cost control initiative in response to the economic downturn. This fee reduction remained in place for the 2017 year as well. In 2018, the Board unanimously approved the reestablishment of the pre-2016 retainer fees, which fees were approved for the 2019 year.

	2019	2018	2017
<b>Annual Board Retainer<sup>(1)</sup></b>	\$ 50,000	\$ 50,000	\$ 40,000
<b>Director Meeting Fees:</b>			
In person	\$ 1,200	\$ 1,200	\$ 1,200
By telephone	\$ 900	\$ 900	\$ 900
<b>Annual Audit Committee Retainer:</b>			
Chairperson	\$ 15,000	\$ 15,000	\$ 12,000
Member	\$ 3,000	\$ 3,000	\$ 2,400
<b>Annual CNG Committee Retainer:</b>			
Chairperson	\$ 10,000	\$ 10,000	\$ 8,000
Member	\$ 3,000	\$ 3,000	\$ 2,400
<b>Committee Meeting Fees:</b>			
Chairperson	\$ 1,200	\$ 1,200	\$ 1,200
Member	\$ 1,000	\$ 1,000	\$ 1,000

<sup>(1)</sup> The Annual Board Retainer fee is paid semi-annually (i.e., January and May).

Directors are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred incidental to attending a Board or committee meeting or attending our company conferences. In addition, any director who travels longer than three hours to attend a directors' meeting is entitled to a \$1,000 travel fee.

### Summary Compensation Table

The following table sets forth the Directors' Remuneration for the year ended December 31, 2019.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Christine McGinley <sup>(3)(4)</sup>	70,600	N/A	N/A	N/A	N/A	Nil	70,600
David Mullen	56,600	N/A	N/A	N/A	N/A	Nil	56,600
Greg Bay <sup>(3) (4)</sup>	74,500	N/A	N/A	N/A	N/A	Nil	74,500
Philip Scherman <sup>(2), (3)</sup>	83,400	N/A	N/A	N/A	N/A	Nil	83,400
Sonia Tibbatts <sup>(1), (4)</sup>	74,500	N/A	N/A	N/A	N/A	Nil	74,500
Stephen Lockwood <sup>(3), (4)</sup>	77,600	N/A	N/A	N/A	N/A	Nil	77,600

Notes:

<sup>(1)</sup> CNG Committee Chairperson and Lead Director.

<sup>(2)</sup> Audit Committee Chairperson.

<sup>(3)</sup> CNG Committee Member.

<sup>(4)</sup> Audit Committee Member.

## Named Executive Officers - 2019 Compensation

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### ***Outstanding Option-Based Awards, Share-Based Awards and Incentive Plan Awards: Value Vested or Earned During the Year***

Mullen Group does not have share-based awards as such is defined within NI 51-102. Rather, as previously discussed, we have a Stock Option Plan that provides long-term incentives to executives and senior management through the issuance of Share Options. Prior to 2008, non-management directors were entitled to receive Share Options as part of their remuneration. In 2008, the Board determined that option grants would no longer form part of the non-management Directors' Remuneration. As such, the non-management directors do not participate in our Stock Option Plan. We will continue to monitor the remuneration practices of the Comparator Group and in general for evolving practices in this regard.

***Non-Management  
Directors do not  
receive any form of  
Share Option or  
Share Based Benefit  
from Mullen Group.***

### ***Share Ownership***

Mullen Group's Directors' Remuneration package does not include an equity based component, such as stock option grants or other forms of deferred share units, which are often provided to directors to assist in the acquisition of shares in relation to mandatory share ownership requirements. As such, we have chosen not to impose a mandatory share ownership threshold on our directors. However, the majority of our non-management directors have individually chosen to acquire Common Shares of Mullen Group such that most directors have invested at least three times their annual Board Retainer (i.e., not less than \$150,000) in Mullen Group Common Shares.

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## **Schedule A - Board of Directors Mandate**

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### ***Introduction***

The fundamental and primary responsibility of the Board of Directors is to appoint a competent senior executive management team and to oversee the business and affairs of Mullen Group, with a view to maximizing shareholder value and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal controls to ensure the long term success of Mullen Group.

The Board of directors has the authority, fiduciary duty and obligation to protect and enhance the assets of Mullen Group. Although directors are elected by the shareholders to bring special expertise or a point of view to Board deliberations, under corporate law the best interests of Mullen Group must be paramount at all times.

The Board operates by delegating certain of its authorities (including spending authorizations to management) and by reserving certain powers to itself. Subject to Mullen Group's By-Laws, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chairperson, nominating candidates for election to the Board, appointing committees and determining director compensation. Its principal duties fall into the following six categories.

#### **1. 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 taking into consideration the advice of the Chairperson and the CNG Committee.
- b. To provide advice and counsel to the Senior Executive Officers in the execution of their duties.
- c. To approve the appointment of all corporate officers, taking into consideration the advice of the Chairperson and the recommendation of the CNG Committee.
- d. To ensure plans have been made for management succession and development on a yearly basis and to monitor the training of potential successors.

#### **2. 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, taking into account, among other things, the opportunities and risks in Mullen Group's business.
- b. To review and approve the annual operating and capital budgets.

#### **3. MONITORING AND ACTING**

The Board has the responsibility:

- a. To monitor Mullen Group's progress against its strategic plan, 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.

## **Schedule A - Board of Directors Mandate**

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- a. To monitor the principal risks of Mullen Group's business and take all reasonable steps to ensure the implementation of appropriate systems to manage these risks.
- b. With the input of the Audit Committee, to ensure that management has established and maintains disclosure controls and procedures for and internal controls over financial reporting, to effect proper financial reporting and to approve the quality and sufficiency of information provided to the directors.
- c. To appoint an Audit and CNG committee each comprised entirely of independent directors.
- d. To appoint any other Board committees that the Board deems necessary and delegate the appropriate responsibilities and requisite powers of the Board to the committee(s) to allow for the consideration of applicable matters on a more in-depth basis.

### **4. *POLICIES AND PROCEDURES***

The Board has the responsibility:

- a. To approve and monitor compliance with Corporate policies and procedures by which Mullen Group is operated.
- b. The Board must review and, where appropriate, grant any departures from Mullen Group's Behaviour Guide that are for the benefit of a Mullen Group director or executive.
- c. 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.
- d. To oversee and participate in the Board evaluation process, and consider the results of such evaluation.

### **5. *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, which includes the approval of the Annual Information Form, Information Circular and Form of Proxy.
- b. To ensure Mullen Group has an effective reporting and communications protocol for all shareholders and stakeholders, and to apprise the Board of any major concerns expressed by either of these parties.
- c. To ensure the financial performance of Mullen Group is adequately reported to shareholders, other security holders and regulators on a timely and regular basis, including the approval of quarterly and annual financial statements and MD&A.
- 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 developments that have a significant and material impact on the value of Mullen Group.
- f. To report annually to shareholders on its stewardship for the preceding year. Typically, this is accomplished through the Annual Financial Review and/or Chairperson's Message.

## Schedule A - Board of Directors Mandate

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### 6. 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 a reasonably prudent person 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 and Mullen Group's By-Laws.
- e. In particular, it should be noted that the following matters must be given consideration 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 Information Circulars.
  - vii. The approval of any take-over bid circular or directors' circular.
  - viii. The approval of the financial statements of Mullen Group.
  - ix. The adoption, amendment or repeal of Mullen Group's By-Laws.

## CORPORATE INFORMATION

### DIRECTORS | OFFICERS

**Murray K. Mullen**

Chairman of the Board, Chief Executive Officer,  
President and Director

**Sonia Tibbatts, MBA**

Lead Director

**Greg Bay, CFA**

Director

**Stephen H. Lockwood, LLB**

Director

**Christine McGinley, CPA, CA, ICD.D**

Director

**David E. Mullen**

Director

**Philip J. Scherman, FCPA, FCA, ICD.D**

Director

**P. Stephen Clark, FCPA, FCMA, ICD.D**

Chief Financial Officer

**Richard J. Maloney**

Senior Vice President

**Joanna K. Scott**

Corporate Secretary and  
Vice President, Corporate Services

**Carson Urlacher, CPA, CA**

Corporate Controller

### CORPORATE OFFICE

**Mullen Group Ltd.**

Chimney Rock Centre  
121A, 31 Southridge Drive  
Okotoks, Alberta T1S 2N3

**Telephone:** 403-995-5200

**Canada/U.S.:** 1-866-995-7711

**Facsimile:** 403-995-5296

**Internet:** [www.mullen-group.com](http://www.mullen-group.com)

**Email:** [IR@mullen-group.com](mailto:IR@mullen-group.com)

### BANKER

**The Royal Bank of Canada**

Calgary, Alberta

### AUDITORS

**PricewaterhouseCoopers LLP**

Calgary, Alberta

### STOCK EXCHANGE

**Toronto Stock Exchange**

Trading Symbol: MTL

### TRANSFER AGENT AND REGISTRAR

**Computershare Trust Company of Canada**

Toronto, Ontario

Telephone: 1-800-564-6253

Internet: [www.investorcentre.com](http://www.investorcentre.com)

Shareholder Inquiries:

[www.investorcentre.com/service](http://www.investorcentre.com/service)

#### ONLINE INFORMATION

*To receive news releases by email,  
or to review this report online,  
please visit Mullen Group's website at  
[www.mullen-group.com](http://www.mullen-group.com).*

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