



Mullen Group _{Ltd.}

Tax Policy

Dated: October 27, 2021

WE THINK **tomorrow**[™]

CONTENTS

OVERVIEW 2
Purpose 2
Scope 2
Objectives 3
Procedures 3
Responsibility to Report 4
Reporting Procedures 4

APPENDIX A - DOCUMENT HISTORY 5



Tax Policy

OVERVIEW

The Board of Directors of Mullen Group Ltd. ("**Mullen Group**") has adopted a tax policy in respect to its handling to taxation.

Purpose

Mullen Group is a trans-national publicly traded company listed on the Toronto Stock Exchange ("**TSX**") under the symbol "MTL", with its corporate office located in Okotoks, Alberta. This document sets out Mullen Group's approach towards management and control over its tax affairs and sets out the general framework within which Mullen Group will operate when considering tax related issues "**Tax Policy**" and/or "**this policy**".

Scope

This Tax Policy extends to Mullen Group and each of its directly and/or indirectly owned subsidiaries, which are commonly known as "operating entities" and/or "Business Units". As such, a reference to "Mullen Group", "our", "us", and/or "we", throughout this Tax Policy includes Mullen Group and each of its operating entities and/or Business Units.

This policy extends to all directors, officers, employees, owner-operators and dedicated contractors (collectively a "**Person**" or "**Personnel**"), regardless of which Business Unit you work for or whether your employment is permanent, temporary, seasonal, contracted, full time or part-time.

This document was approved by Mullen Group's Board of Directors and will periodically be reviewed by the Chief Financial Officer ("**CFO**") in conjunction with Mullen Group Tax Compliance Team and consultants. Any amendments to this Tax Policy will be approved by the Board of Directors. The approach and principles described must be followed with respect to corporate income tax, withholding tax and all other direct and indirect government fees, however levied.

Mullen Group and its subsidiaries are subject to various fees and taxes including, but not limited to:

- corporate income taxes;
- sales taxes such as the Goods and Services Tax (GST) or Harmonized Sales Tax (HST) and provincial and state sales taxes (PST);
- property taxes;
- customs duties or tariffs on certain imported products;
- health and education services premiums; and
- other taxes and fees such as motor vehicle licenses, carbon taxes, fuel taxes, excise taxes on fuel and insurance premiums, land transfer taxes, worker's compensation premiums, and other taxes.

In addition, the Mullen Group and its subsidiaries are responsible to withhold and remit contributions by employers and employees to social security plans such as Employment Insurance, Canada Pension Plan and personal income tax withholdings on a timely basis.



Objectives

In accordance with our overarching Code of Conduct, we are committed to comply with all applicable tax laws, rules and regulations, without exception. Canadian and US tax rules are among the strictest in the world. These rules also apply in coordination with the OECD, which hinder any attempt to erode the Canadian or US tax base.

We are committed to compliance. We seek to comply with the letter and the spirit of all tax laws. It is our policy to always operate in strict compliance with all relevant tax legislation. In case of uncertainty or doubt when interpreting the law, we seek independent external advice to fulfill our tax obligations. Mullen Group is subject to various legal controls, especially under Canadian and US tax legislation. Any corporate and / or transaction structuring is to be undertaken with an economic and commercial substance, consistent with our commitment to be characterized as a "good corporate citizen". We do not engage in aggressive tax planning nor artificial arrangements and tax considerations do not influence our business operations. We do not use tax havens or erode the tax base with interest payments to related parties or financial institutions located in tax havens.

Procedures

We provide tax disclosures that enable all stakeholders to understand the relationship between income tax expense and accounting profit. The relationship between tax expense and accounting profit is affected by such factors as expenses that are not deductible in determining taxable profit such as the effect of foreign exchange. A full reconciliation is provided within our notes to our financial statements.

To ensure that all our tax obligations are met, we:

- Encourage ethical and transparent business practices including training and enforcement of our Code of Conduct.
- Train controllers on tax compliance.
- Obtain tax advice on less routine aspects of tax compliance including location-specific tax advice and obtaining written tax opinions where appropriate.
- Do not employ legal entities solely for purposes of tax avoidance or undertake any "aggressive" tax positions.
- Cooperate fully with tax authorities when they review any aspect of our operations.
- Engage tax experts to review our corporate tax returns.
- Conduct an indirect tax recovery review on a rolling four-year basis.
- Internal monthly reviews of all corporate tax provisions including reconciliations of the company's effective tax rate with statutory tax rates will be conducted.
- Capture non-deductible expenses on a monthly basis.
- Conduct external quarterly reviews of all corporate tax provisions.
- Conduct internal reviews of payroll processes including the use of third-party payroll providers to ensure payroll remittances and filings are made properly and on a timely basis.
- Cascading compliance certificates to be signed by Business Unit Leaders and controllers to the CFO and CFO certificate to the Board of Directors.



Responsibility to Report

It is the right and responsibility of all Personnel to report any violations or suspected violations related to a suspected fraud; tax law violation; or an accounting, internal control or auditing concern.

Reporting Procedures

If you suspect a violation has taken place and you are not satisfied, or are uncomfortable with following Mullen Group's procedures for reporting any other matters as established by our Behaviour Guide, individuals should use the Whistleblower Hotline to contact the Chairperson of Mullen Group's Audit Committee.



**APPENDIX A -
DOCUMENT HISTORY**

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MULLEN GROUP LTD.

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Approved by: Board of Directors



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