

## **CNG COMMITTEE MANDATE**

### ***Purpose***

The compensation, nomination and governance committee (the "**CNG Committee**") is a committee of the Board of Mullen Group. Its 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 (ii) senior executive succession plans. In addition, the CNG Committee assesses and makes recommendations regarding the Board's effectiveness and is responsible for establishing a process for identifying, recruiting and appointing directors. The Chair of the CNG Committee (the "**CNG Chair**") will act as the Board's "Lead Director". The CNG Committee carries out its duties and responsibilities with a view to ensuring that Mullen Group is implementing corporate governance "best practices" that are appropriate and relevant to a company of Mullen Group's size, complexity and industry group.

### **9. Composition**

- a. The Board shall appoint from its members, on an annual basis, not less than three directors to serve on the CNG Committee. Such appointment shall typically take place at the first directors' meeting held after the date of the annual general meeting, and the appointed members shall normally hold office for a one-year period.
- b. All committee members shall qualify as an "**independent director**" for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.
- c. The membership of the Committee should represent a diverse background of experience and skills including relevant industry experience, human resources experience at the senior management level (*i.e. dealing with executive compensation*) and financial and management experience.
- d. The CNG Chair shall be appointed by the Board on the recommendation of the committee members. The CNG Chair/Lead Director may be removed and replaced by the Board at any time (see paragraph 11 of this mandate for an explanation of the Lead Director's role).
- e. Where a vacancy occurs on the CNG Committee it may be filled by the Board. Any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the CNG Committee upon ceasing to be a member of the Board.

### **10. Meetings**

- a. The CNG Committee shall meet at least four times per year. Additional meetings may be held as deemed necessary by the CNG Chair or as requested by any two of its members. In addition, the CNG Committee shall meet in separate in-camera sessions, without management present, at each regularly scheduled meeting.
- b. A quorum for a meeting shall be a majority of the CNG Committee members.
- c. If the CNG Chair is not present at any meeting of the CNG Committee, one of the other committee members shall be chosen by the CNG Committee to preside at the meeting.
- d. A member may in any manner waive notice of a meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- e. The Corporate Secretary or some other person designated by the CNG Committee shall be Secretary to the CNG Committee.



- f. Minutes of the CNG Committee meetings shall be provided to all committee members. The full Board shall be kept informed of the CNG Committee's activities by presentation of a report, verbal or otherwise, at the next Board meeting following each CNG Committee meeting.

11. Attendance at Meetings

- a. Executive Officers are expected to be available to attend meetings or portions thereof, as determined by the CNG Chair.
- b. The CNG Chair shall have the right to determine who shall and who shall not be present at any time during a meeting of the CNG Committee.
- c. Directors, who are not members of the CNG Committee, may be invited to attend CNG Committee meetings on an ad hoc basis.

12. Specific Responsibilities – CNG Chair as "**Lead Director**"

In acting as "Lead Director", the CNG Chair is expected to:

- a. Chair all in-camera meetings of the Board, without management directors present, such in-camera meetings to be held at each regularly scheduled Board meeting.
- b. Preside over all Board meetings at which the Chair is not present or excuses himself due to a conflict of interest.
- c. Respond, or arrange for response, to all shareholder or other stakeholder questions and comments that are directed to the independent directors as a group (with such consultation with the Chair or other directors as the Lead Director may deem appropriate).
- d. Ensure personal availability for consultation and communication with independent directors and with the Chair as appropriate.
- e. Review and approve requests, with the consultation and input of the other CNG Committee members and the Chair & SEO, from individual directors to retain an outside advisor at the expense of Mullen Group in appropriate circumstances.
- f. Communicate with the Chair & SEO and the entire Board, as appropriate, the results of private discussions among outside directors or the results of meetings of the independent directors.
- g. Review conflict of interest issues with respect to members of the Board and Senior Executive Officers as they arise.
- h. Review and respond to those reports of violations of Mullen Group's code of ethics and conduct that are brought to the attention of the Lead Director by the SEO of Mullen Group.

13. Specific Responsibilities – CNG Committee

In carrying out its mandate, the CNG Committee is expected to:

- a. Advise the Board
  - i. Act in an advisory capacity to the Board.
  - ii. Be a forum for addressing appropriate concerns of individual directors within the purview of the CNG Committee's mandate.



- b. Evaluation
  - i. Develop and administer the annual process for assessing the effectiveness of the Board as a whole and the committees of the Board.
  - ii. Undertake an annual evaluation of the SEO.
- c. Corporate Governance
  - i. Monitor and assess Mullen Group's overall approach to corporate governance practices. Review and consider any reports, corporate governance issues or principles, and where appropriate recommend such for review or action by the Board or a committee thereof.
  - ii. Establish appropriate structures and processes for the Board to ensure that it is able to function independently of management.
  - iii. Monitor Mullen Group's compliance with applicable regulatory, corporate governance and disclosure requirements. Review the annual disclosure reports required by the CSA (*as required by the National Instruments*) or other governing body, in relation to executive compensation, nomination practices, corporate governance statements, board diversity and/or reports, or any other reports or information as may be required from time to time, for publication in Mullen Group's public disclosure documents.
  - iv. Identify and recommend to the Board the assignment of members to each committee, seeking the advice and input of the Chair & SEO, and taking into account the tenure, independence and expertise – with reference to the skills matrix – of individual directors and committee chairs.
  - v. Recommend the appointment/reappointment of corporate officers on an annual basis.
  - vi. Review, monitor and make recommendations regarding new director orientation.
  - vii. Annually review the Terms of Reference of the Chair & SEO.
  - viii. Annually review the Board and committee mandates and make recommendations to the Board as required.
  - ix. Make recommendations to the Board regarding changes or revisions to the Board Manual, code of ethics and conduct and any other governance-related policy adopted by Mullen Group from time to time.
  - x. Review reports on corporate governance trends and regulatory requirements and make recommendations to the Board.
  - xi. Review outside service or Board opportunities of the Executive Officers.
  - xii. Review and approve requests by individual directors to engage outside advisors at the expense of Mullen Group in appropriate circumstances.
- d. Executive Succession and Director Nomination
  - i. Review and recommend to the Board the executive succession and development plans.
  - ii. Develop and annually review a long-term plan for the composition of the Board that takes into consideration the current competencies, strengths, skills, experience and diversity – with reference to the skills matrix – on the Board; the appropriate Board size for Mullen Group; and upcoming retirement dates.



- iii. Identify and recommend to the Board the nominees for election as directors of the Board, seeking the advice and input of the Chair & CEO. This includes consideration of any nominee appropriately recommended by shareholders taking into account the nominee's skills attributes, independence, performance, experience, financial literacy and his/her ability to devote sufficient time and resources to his/her duties as a director of Mullen Group.

e. Compensation

- i. Oversee the granting of options pursuant to the Stock Option Plan (the "**Plan**"), review the administration of the Plan and make recommendations for changes to the Plan as required.
- ii. Review comparative market data of Mullen Group's peer group of companies (as determined from time to time) and review and recommend to the Board the principles of Mullen Group's executive compensation program and the specific remuneration of Executive Officers thereunder.
- iii. Annually review and consider the alignment of the executive and director compensation programs with Mullen Group's strategic business objectives.
- iv. Review the level and form of remuneration of non-management directors in relation to their duties and responsibilities and Mullen Group's peer group of companies, and recommend to the Board the remuneration of the non-management directors.

14. Engagement of Outside Advisors

At the Corporation's expense, the Committee may retain, when it considers it necessary or desirable, outside advisors or consultants to advise the Committee independently on any matter. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to establish or review an advisor's or consultant's fees and retention terms and to direct payment thereof.

15. Delegation of Duties

The CNG Committee, upon approval by a majority of the members of the CNG Committee, may delegate authority and duties to subcommittees or individual members of the CNG Committee as it considers appropriate.

16. Work Plan

The CNG Committee, in consultation with the Board and management, shall develop and maintain a CNG Committee work plan setting out the scheduled business to be conducted at the CNG Committee's regular meetings throughout the fiscal year on all matters within its mandate and any other matters as may be determined to be necessary or appropriate.

