



**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

March 31, 2015

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FORWARD-LOOKING STATEMENTS

TransForce Inc. (the “**Corporation**”) may make statements in this annual information form that reflect its current expectations regarding future results of operations, performance, and achievements. They are based on information currently available to management. Words such as “may”, “could”, “should”, “would”, “believe”, “expect”, “anticipate”, “intend” and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks, and uncertainties that could cause actual results, performance or achievements to differ materially from historical results, and those presently anticipated or projected.

The Corporation cautions readers not to place undue reliance on any forward-looking statements, which reference only as of the date made. The following important factors could cause the Corporation’s actual financial performance to differ materially from that expressed in any forward-looking statement:

- (1) The highly competitive market conditions that currently exist in the Corporation’s market and the Corporation’s ability to compete;
- (2) The Corporation’s ability to recruit, train and retain qualified drivers;
- (3) Fuel prices variation, and the Corporation’s ability to recover these costs from its customers;
- (4) Foreign currency fluctuations;
- (5) The impact of environmental standards and regulations;
- (6) Changes in governmental regulations applicable to the Corporation’s operations;
- (7) Adverse weather conditions;
- (8) Accidents;
- (9) The market for used equipment;
- (10) Changes in interest rates;
- (11) Cost of liability insurance coverage;
- (12) Variations in general economic conditions affecting the Corporation and its customers; and
- (13) Credit market liquidity.

The foregoing list should not be construed as exhaustive, and readers should also refer to the section entitled “Risk Factors” in this annual information form for additional information on risk factors and other events that are not within the Corporation’s control. The Corporation’s future financial and operating results may fluctuate as a result of these and other risk factors.

Although forward-looking statements are generally based upon what the Corporation believes to be reasonable assumptions, they may prove to be inaccurate and many of them involve factors which are beyond the Corporation’s control. The Corporation cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this annual information form, and the Corporation does not assume any obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws.

ORGANIZATIONAL STRUCTURE

In this annual information form, the terms “Corporation” and “TransForce” mean TransForce Inc., a corporate entity incorporated on March 28, 2008 pursuant to the *Canada Business Corporations Act*, its subsidiaries and, as the case may be, its predecessors.

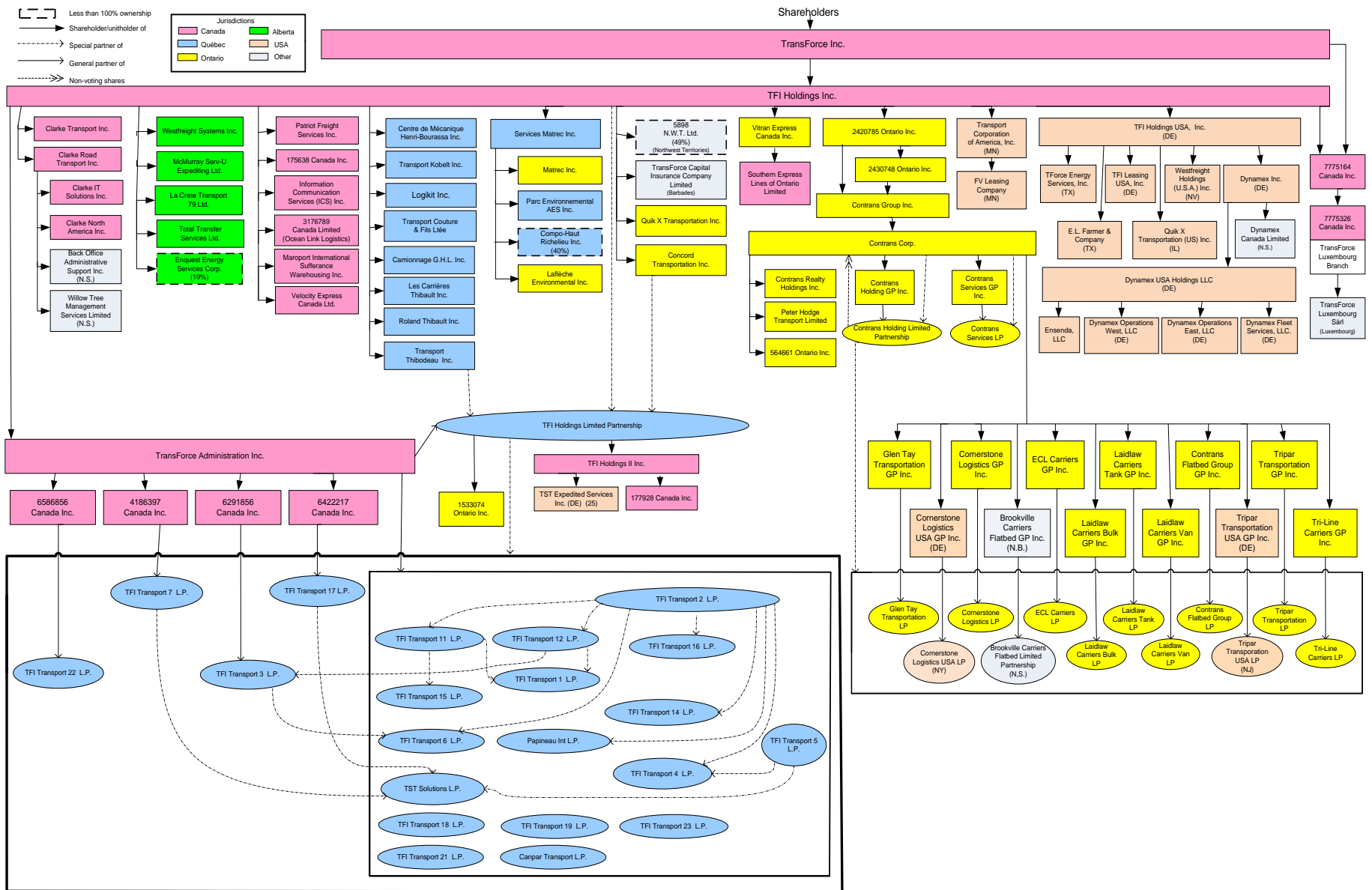
The Corporation was incorporated for the purpose of acquiring all of the issued and outstanding units of TransForce Income Fund (the “Fund”) and “tracking share units” of TFI Holdings Inc., an indirect subsidiary of the Fund, pursuant to a plan of arrangement under which the Fund was converted into the Corporation. The Corporation, through its subsidiaries, continues to operate the transportation business of the Fund, and the former unitholders of the Fund continue to own, through the Corporation, an economic interest in the business of the Fund.

The Fund resulted from the conversion on September 30, 2002 of TransForce Inc. (“TFI”), a corporate entity incorporated on April 30, 1985 pursuant to the *Companies Act* (Québec), into an income trust. The Fund, through its subsidiaries, continued to operate the transportation business of TFI, and the former shareholders of TFI continued to own, through the Fund, an economic interest in the business of TFI.

TFI was formerly known as 2320-2351 Québec Inc. Its Articles were amended on October 9, 1985, October 1, 1986, July 22, 1987, October 19, 1987, March 4, 1988, July 5, 1989 and May 30, 1995, in each case changing its share capital. The Articles were also amended on October 1, 1986 to change the corporate name to Groupe Cabano d’Anjou Inc. and on August 7, 1987 to change the corporate name to Cabano Expeditex Inc. On October 19, 1987, Cabano Expeditex Inc. amalgamated with Location Speribel Inc. The Articles were subsequently amended on December 4, 1990 to change the corporate name to Groupe Transport Cabano Inc./Cabano Transportation Group Inc., on May 30, 1995 to change the corporate name to Cabano-Kingsway Inc. and on April 23, 1999 to change the corporate name to TransForce Inc.

The Corporation’s head office is located at 8801 Trans-Canada Highway, Suite 500, Saint-Laurent, Québec H4S 1Z6 and its executive office is at 96 Disco Road, Etobicoke, Ontario M9W 0A3.

The diagram on the following page sets out the organizational structure of the Corporation as of March 28, 2015 and the jurisdiction of incorporation of each of the entities therein. Unless otherwise indicated, each of the entities is wholly-owned, directly or indirectly, by the Corporation.



GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation, through its wholly-owned subsidiaries, operates the business of the Fund and of TFI prior to their respective conversions. The Corporation's transportation-business origins can be traced back to 1957. In the mid-1990s, after nearly 40 years of operations, the Corporation updated its corporate strategy for the evolving North American transportation market. To this end, in 1996 a new management team led by Mr. Alain Bédard, the Chairman of the Board, President and Chief Executive Officer of the Corporation, was appointed upon the recommendation of the Corporation's principal shareholder.

The new management team identified three key objectives for the Corporation: (i) increase revenues from profitable business segments and customers; (ii) strengthen the Corporation's position in the North American transportation market; and (iii) achieve a more balanced revenue mix. To achieve these three objectives, the management team implemented a strategic plan aimed at expanding the Corporation's operations beyond its traditional Less-Than-Truckload ("LTL") base as well as increasing the Corporation's geographic footprint, primarily by entering the trans-border market. The Corporation has carried out its strategic plan, in large part by acquiring profitable and well-managed companies offering services throughout North America in segments of the transportation industry not traditionally served by the Corporation, such as Package and Courier, Truckload ("TL"), Waste Management and Logistics and Other Services. The Corporation's independent subsidiaries are recognized for their professional expertise. The Corporation continues to carry out this strategy.

As part of the strategic plan, in March 1998, the Corporation entered the trans-border TL business with the acquisition of Entreprises de Transport J.C.G. Inc., which was complemented by the acquisition of Papineau International Transport Inc. in October 1998. The major acquisition of TST Solutions Inc. and its subsidiaries in March 2000 allowed TFI to significantly increase its share of the trans-border LTL market and also provided an entry into the Specialized TL market. A second major acquisition, that of Canpar Transport Ltd. in July 2002, enabled the Corporation to achieve its goal of becoming a full-service transportation provider, by adding Parcel Delivery to its LTL service offering. In 2004, the Corporation made two other major acquisitions: in January 2004, the Corporation completed the acquisition of substantially all of the assets of Canadian Freightways Limited and its associated companies, which increased route density and extended the Corporation's LTL and TL operations across Canada, particularly in the western provinces and in the United States. Canadian Freightways also offers specialized services in the areas of logistics and fleet management, customs brokerage and bonded warehousing and international freight forwarding; and in October 2004, the Corporation completed the acquisition of 3846113 Canada Inc. (Highland Transport), which strengthened the Corporation's presence in the TL transportation sector across Canada.

In February 2005, the Corporation acquired Services Matrec Inc. and its subsidiaries. Services Matrec Inc. specializes in the integrated management of industrial, commercial and residential solid-waste collection and treatment, including waste, recyclable materials, yard waste, construction and demolition materials, and hazardous waste. Services Matrec Inc. was a catalyst for the expansion of the Corporation in a new area, that is, waste management services.

In 2006, the Corporation acquired Kos Corp Oilfield Transportation, Hemphill Trucking Inc. and Streeper Contracting Ltd. These acquisitions provided the Corporation with a solid platform in rig-moving activities.

Kos, through its well-established position, serves as the foundation for this platform and as a catalyst for future growth within the sector. With the acquisition of Hemphill Trucking Inc. in 2006 and the assets of Speedy Heavy Hauling Inc. in 2010, the Corporation's presence in the United States in this sector has grown. The Corporation's expansion in rig-moving services was consistent with its diversification strategy.

In 2007, the Corporation acquired Location Beaudry, Les Consultants en Personnel Logipro 1997 Inc. and MTC Agence de Personnel Inc., introducing a new niche in the Logistics and Other Services sector, namely the leasing of equipment as well as personnel placement services.

In 2009, the acquisition of ATS Andlauer Retail Solutions Division (now known as TForce Integrated Solutions) introduced new services to complement the Corporation's package and courier sector, by offering customized freight transportation solutions adapted specifically for regional and national retail and supply chain customers.

In 2011, the Corporation acquired Dynamex Inc. ("Dynamex"), adding same-day delivery service to existing customers. Furthermore, the combination of TransForce's existing operations and Dynamex constitutes a powerful offering to potential new clients. More importantly, incorporating Dynamex's services has opened doors for TransForce in the U.S. market.

Also in 2011, the Corporation acquired selected assets of DHL Express (Canada) Ltd ("DHL"), now known as Loomis Express, and concluded a strategic alliance with DHL to offer fully integrated international and domestic shipping services, which enables TransForce, through DHL, to offer international coverage to its customers.

The acquisition of QuikX Transportation in January 2012, followed by the acquisition of Clarke Transport Inc. and Clarke Road Transport in January 1, 2014 and Vitran Corporation Inc. in March 2014, further enhanced the Corporation's less-than-truckload ("LTL") intermodal (over-the-rail) transportation services in Canada.

In 2013 and early 2014, the Corporation ceased its rig-moving activities in Western Canada and disposed of its personnel placement services.

In 2014, the Corporation acquired Transport America, Inc. an important provider of TL transportation and logistics services. This acquisition provides TransForce with a new presence in the TL U.S. market.

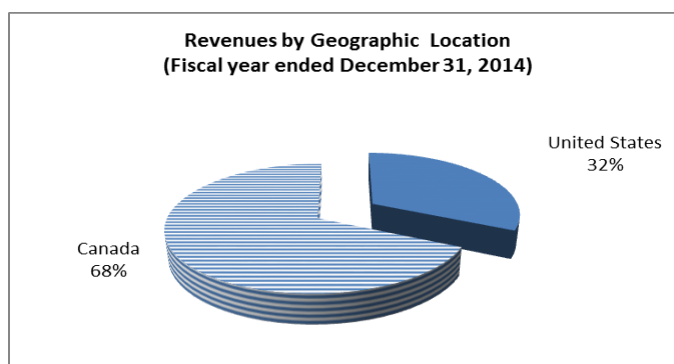
At the end of 2014, the Corporation also acquired all the shares of Contrans Group Inc., an important player in TL and Specialized TL in Canada.

Since 1998, the Corporation has acquired more than 150 companies as part of its strategic plan. Among the criteria applied by the Corporation to the acquisition of companies is that such companies be profitable and led by experienced and competent management teams. Once acquired by the Corporation, the newly-acquired companies operate as wholly-owned subsidiaries under their original names and management team. The Corporation continues to carry out this strategy.

As a result of the implementation of the strategic plan originated by TFI, the Corporation is today a leading player in the North American transportation industry, with revenues of \$3.7 billion for the fiscal year ended

December 31, 2014. The Corporation has a solid financial position with customers covering a broad cross-section of industries. The Corporation's workforce totals 24,814. This comprises 16,050 employees and 8,764 independent contractors. The Corporation offers its clients transportation solutions that are firmly supported by the specialization of its subsidiaries and the competence of its management and employees in their areas of expertise. More than 15 years after the strategic plan was implemented, the Corporation now operates the following business segments: (i) Package and Courier; (ii) LTL; (iii) TL, (iv) Waste Management and (v) Logistics and Other Services.

As a result of the strategic plan, the Corporation has been able to benefit from and expand its geographic market, as illustrated in the following chart, which sets out the geographic breakdown based on the origin of the service's location, of the Corporation's consolidated revenues for the fiscal year ended December 31, 2014:



Strategic Acquisitions & Dispositions

Acquisitions

During the fiscal year ended December 31, 2014, the significant acquisitions made by the Corporation were the following:

Name	Date	Business Segment
Clarke Transportation Group	January 1, 2014	Less than truckload and Truckload
Vitran Corporation Inc.	March 26, 2014	Less than truckload
Ensenda, LLC	May 16, 2014	Package and Courier
Transport Corporation of America, Inc.	July 3, 2014	Truckload
Contrans Group Inc. (control)	November 14, 2014	Truckload

The foregoing acquisitions were each arm's-length transactions with an acquisition aggregate cost of approximately \$850.1 million. The Corporation did not file business acquisition reports pursuant to National Instrument 51-102 with respect to these acquisitions.

Subsequent Event

By press release dated March 2, 2015, TransForce announced the departure of Alain Raquepas as Chief Financial Officer.

DESCRIPTION OF THE BUSINESS

The Corporation is a leading player in the freight transportation and logistics industry. The Corporation believes that, through its operating subsidiaries, it directly services more urban centres than any other carrier in Canada. The Corporation offers its clients transportation solutions that are firmly supported by the specialization of its wholly-owned subsidiaries and the competence of its management and employees in their areas of expertise. The Corporation's scope extends to all of Canada and the United States. The Corporation offers efficient, global solutions to its clientele in the following operational segments: (i) Package and Courier; (ii) LTL; (iii) TL, (iv) Waste Management and (v) Logistics and Other Services. Through internal growth and acquisitions, the Corporation has significantly increased its geographic scope.

The Package and Courier segment offers pickup, transport and delivery of items across North America. The LTL segment provides pickup, consolidation, transport and delivery of smaller loads. The TL segment provides full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customers' specific needs. The TL segment includes expedited transportation, flatbed, container and dedicated services. The Waste Management segment offers services for integrated residual materials management, ranging from collection to disposal, through conversion and recycling, to meet specific needs of its clients in municipal, industrial, commercial and institutional sectors and the Logistics and Other Services segment provides a wide range of logistics services and rig moving services.

Trends

Demand for freight transport is closely linked to the state of the overall economy. Consequently, a change in general economic growth could impact the Corporation's performance. However, the Corporation's extensive customer base, broad geographic dispersion and participation in five distinct transport segments is intended to help mitigate the effects of any economic downturn.

Equipment

The Corporation has the largest trucking fleet in Canada and a presence in the U.S. market. As at December 31, 2014, the Corporation had 14,980 power units (including 8,760 independent contractors) and 18,680 trailers. This compares to 11,930 power units (including 7,630 independent contractors) and 11,200 trailers as at December 31, 2013.

Licenses

In Canada, passenger and merchandise road transport licenses are issued by provincial authorities. With respect to interprovincial transport, provincial authorities are delegated the right to issue licenses according to the *Canada Transportation Act*. Provincial authorities exercise control over the issuance, modification and transfer of licenses and govern in a general manner various aspects of license-holders' activities. In the United States, the *Department of Transportation* exercises similar authority. The operating subsidiaries of the Corporation have all the necessary licenses to operate in Canada and the United States.

Markets and Distribution

The Corporation has a diverse customer base of clients operating across a broad cross-section of

industries. Due to the breadth of its client base, a downturn in the activities of individual customers or in a particular industry is not expected to have a material adverse impact on the Corporation's operations. In the last several years, the Corporation concluded strategic alliances with other transport companies in North America, in order to offer its customers a network extending across Canada and the United States.

Seasonality of Operations

The activities conducted by the Corporation are subject to general demand for freight transportation. Historically, demand has been relatively stable with the first quarter being generally the weakest in terms of demand. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Revenues (in percentages)

During the fiscal years ended December 31, 2014 and 2013, the Corporation's revenues by business segment were as follows:

	Fiscal year ended December 31,	
	2014	2013
Package and Courier	35%	40%
Less-Than-Truckload	24%	20%
Truckload	28%	22%
Waste Management	5%	5%
Logistics and Other Services	8%	13%

Competition

The transportation industry is fragmented and consists of relatively few large companies and many small companies serving target markets. The target markets are defined by geographical location, point-to-point service location, target customer industries and the type of service provided, such as Package and Courier, LTL, TL, Waste Management, and Logistics and Other Services. The smaller operators typically operate in a highly-specialized yet competitive environment in which the customer may have several alternative carriers available. Many of the large carriers are independent subsidiaries of larger transportation companies and offer a wide variety of freight services on a national basis.

Carriers compete primarily on price and on their ability to provide reliable, efficient and safe transportation services. The Corporation's main competitors are: in the Package and Courier sector, Purolator Courier Ltd.; in the LTL sector, Day & Ross Inc. and Manitoulin Transport Inc.; in the TL sector, Challenger Motorfreight Inc. and SGT 2000 Inc.; in the Waste Management sector, Progressive Waste Solutions, Waste Management, Inc., and RCI Environment Inc.; and in the Logistics and Other Services sector, C.H. Robinson and Mullen Group Ltd.

In addition, the Corporation and other trucking operations must compete with other modes of transportation such as rail, airfreight and maritime transportation. These modes of transportation play an important role in the areas served by the Corporation.

Human Resources

The Corporation's workforce totals 24,814. This comprises 16,050 employees and 8,764 independent contractors who work in TransForce's different business segments across North America. This compares to 14,210 employees and 7,630 independent contractors as at December 31, 2013. The Corporation considers that it has a relatively low turnover rate among its employees and that employee relations are very good for its industry. A number of these employees are subject to collective agreements. The Corporation ensures that a number of programs for driver training and client service are maintained. In conjunction with the continuous investments in new technologies, such as the use of on-board computers, the Corporation has extended its employee training programs to maximize the use of such technological tools. These initiatives are designed to ensure the quality of services provided to the Corporation's clientele while enabling it to better control its labour costs. The Corporation also works to ensure the successful integration and training of the employees of any newly-acquired businesses, as applicable.

Environmental Matters

The operations and properties of the Corporation are subject to environmental laws and requirements in both Canada and the United States relating to, among other things, air emissions and the management of contaminants.

The Corporation has adopted sustainable measures to reduce energy waste in its day-to-day operations, such as investing in new technology to reduce the consumption of fuel by its trucks and converting a portion of its fleet to propane. Also, some of the Corporation's most recent buildings were built with the LEED certification for their high energy efficiency and their design, which reduce the consumption of energy and therefore, the operating costs.

A risk of environmental liabilities is inherent in transportation operations, the historic activities associated with such operations, as well as the ownership, management and control of real estate.

The cargo carried by the Corporation in its freight-transportation operations can be classified as either non-regulated freight or regulated freight such as hazardous materials or environmentally-regulated waste. Strict parameters must be met before the Corporation and the individual drivers are permitted to transport regulated freight. This involves specific insurance requirements, training programs and registration permits with the various provinces and states in which the Corporation operates.

A number of the Corporation's terminals provide full maintenance service and fuel facilities. Each terminal has a series of operational systems that have been implemented to control environmental impact relating to its specific operation.

For 2014, the environmental management by the Corporation did not require significant expenditures with regard to the compliance of its ongoing operations or material remediation.

Trademarks

The Corporation has a total of 121 applied-for or registered trademarks in Canada and the United States, of which 97 are for use in Canada and 24 are for use in the United States. Of the foregoing trademarks, the

most important ones are: (i) “TransForce” in Canada; (ii) “Kingsway” in Canada and in the United States; (iii) “TST” family of trademarks in Canada and the United States; (iv) “Quik X” family of trademarks in Canada and the United States; (v) “ICS Courier” in Canada; (vi) “Canpar” family of trademarks including “Canpar Courier” in Canada; (vii) “Dynamex” family of trademarks in Canada and in the United States; (viii) “Loomis Express” in Canada; (ix) “TForce Energy Services” in the United States; and (x) “TF Energy Solutions” in Canada (xi) “Vitran” family of trademarks in Canada and the United States including “Vitran Express”; (xii) “Ensenda” in Canada and in the United-States, and (xiii) “TForce Integrated Solutions” in Canada. In addition, the Corporation uses a number of unregistered trademarks. The Corporation re-evaluates its intellectual property portfolio on a regular basis and, in this regard, may deem it advisable to register additional trademarks in the future.

RISK FACTORS

The following are major risk factors facing the Corporation.

Competition. Deregulation in the transport industry has increased the number of competitors, as well as competition with respect to pricing. Competition is strong within the Canadian market. In addition, the Corporation faces competition from other transporters in the United States.

The North American waste management industry is very competitive. The Corporation faces competition in the waste management industry from several large and well-capitalized competitors and a large number of local and regional competitors. Some of the Corporation’s competitors have significantly larger waste management operations, significant financial resources and greater name recognition with respect to waste management than the Corporation or may be able or willing to provide or bid their services at a lower price than the Corporation. Because companies can enter the collection segment of the non-hazardous solid waste management industry with very little capital or technical expertise, there are a large number of regional and local collection companies in the industry. The Corporation faces competition from these businesses in the markets and regions it currently serves.

Regulation. Notwithstanding that the transportation industry is largely deregulated, carriers must obtain licenses issued by provincial transport boards in order to carry goods inter-provincially or to transport goods within any province. Licensing from United States regulatory authorities is also required for the transportation of goods between Canada and the United States. Any change in these regulations could have an adverse impact on the scope of the Corporation’s activities.

The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and laws. Although the Corporation is committed to compliance with laws and safety, there is no assurance that it will be in full compliance with them at all times. Consequently, at some future time, the Corporation could be required to incur significant costs to maintain or improve its compliance record.

The waste management business is subject to legislation and governmental regulations that may restrict the Corporation’s waste management operations or increase its costs of operations.

The Corporation's waste management equipment, facilities and operations are subject to extensive and changing federal, provincial and local laws and regulations relating to environmental protection, health, safety, land use, transportation and related matters. These include, among others, laws and regulations governing the use, treatment, transportation, storage and disposal of hazardous substances and other wastes and materials, air emissions and quality, waste water discharges and water quality, permissible or mandatory methods of processing waste, the remediation of contamination and, in general, the emission of pollutants into the environment. Environmental laws and regulations have been enforced more stringently in recent years because of greater public interest in protecting the environment. In addition, federal, state, provincial and local governments may change the rights they grant to, and the restrictions they impose on, waste management companies, and those changes could restrict the Corporation's waste management operations and growth.

The Corporation's compliance with regulatory requirements relating to waste management may be costly and, to so comply, the Corporation may be required to enhance, supplement or replace its waste management equipment and facilities. The Corporation may not be able to offset the cost of complying with these requirements. In addition, changes to environmental laws and regulations or a more stringent application or interpretation thereof may obligate the Corporation to spend amounts in addition to those currently accrued for such purposes.

The Corporation, through its subsidiary Services Matrec Inc., owns non-hazardous solid waste landfills located in the cities of Larouche, Chicoutimi and Granby, Québec and Moose Creek, Ontario. Each of these sites is regulated and subject to permits by the relevant provincial ministry of the environment. The loss by the Corporation of any of these permits could have a material adverse effect on the Corporation's waste management business.

From time to time, provincial and local authorities enact laws or regulations imposing fees or other charges on waste disposed of at landfills located in those provinces. If any significant fees are imposed and the Corporation is not able to recover these fees from its customers, its operations and profitability could be negatively affected.

Operating Environment. The Corporation is subject to changes in its general operating environment. The Corporation is exposed to the following elements affecting its operating environment: the cost of liability insurance, the market for used equipment, adverse weather conditions and accidents involving its transport equipment.

General Economic Conditions. Demand for freight transport is closely linked to the state of the overall economy. Consequently, a decline in general economic growth could adversely affect the Corporation's performance.

Interest Rate Fluctuations. Changes in interest rates may result in fluctuations in the Corporation's future cash flows related to variable-rate financial liabilities. For these items, cash flows could be impacted by changes in benchmark rates such as Bankers' Acceptance or London Interbank Offered Rate (Libor). In addition, the Corporation is exposed to gains and losses arising from changes in interest rates through its derivative financial instruments carried at fair value.

Currency Fluctuations. The Corporation's financial results are reported in Canadian dollars and a portion of its revenue and operating costs are realized in currencies other than Canadian dollars, primarily U.S. dollars. The results of operations are therefore affected by movements of this currency against the Canadian dollar. Significant fluctuations in relative currency values against the Canadian dollar could therefore have a significant impact on the Corporation's future profitability.

Price of Fuel. The Corporation is exposed to variations in the price of fuel. The Corporation is generally able to recover the majority of additional fuel costs and corresponding margins through fuel surcharges to its customers. In a declining fuel price environment, there is a corresponding risk that the Corporation cannot increase its base revenues to protect the margins it was making on fuel costs. The Corporation strives to ensure that the fuel consumption of its fleet is as efficient as possible.

Insurance. The Corporation's operations are subject to risks inherent in the transportation and waste management sectors. The Corporation subscribes for insurance in amounts which it considers appropriate in the circumstances and having regard to industry norms. Like many players in the industry, the Corporation self-insures a significant portion of the claims exposure related to cargo loss, bodily injury, workers' compensation and property damages. The Corporation may become liable with respect to risks in respect of which it is self-insured or cannot obtain insurance or for which it chooses not to obtain insurance as a result of high premiums or for damages which exceed the maximum coverage provided for in the insurance policies.

Collective Agreements. At the date hereof, the collective agreements between the Corporation and the vast majority of its unionized employees have been renewed, except for (i) one collective agreement which expired on November 30, 2013; (ii) one collective agreement which expired on March 31, 2014; (iii) one collective agreement which expired on June 30, 2014; (iv) one collective agreement which expired on September 30, 2014; (v) one collective agreement which expired on October 1, 2014; (vi) one collective agreement which expired on October 31, 2014; (vii) two collective agreements which expired on November 2, 2014; (viii) five collective agreements which expired on December 31, 2014; (ix) one collective agreement which expired on February 3, 2015 and (x) one collective agreement which expired on March 1, 2015, all of which are currently under negotiation. The renewed collective agreements have a variety of expiration dates, ranging from April 7, 2015 to December 31, 2020. The Corporation cannot predict the effect which any new collective agreements or the failure to enter into such agreements upon the expiry of the current agreements may have on its operations.

Acquisitions and Integration. Historically, acquisitions have been a part of the Corporation's growth strategy. Acquisitions involve numerous risks, including potential loss of customers, key employees, and service providers of the acquired company.

Environmental Matters. The Corporation uses storage tanks at certain of its transportation terminals. Canadian and United States laws and regulations generally impose potential liability on the present or former owners or occupants or custodians of properties on which contamination has occurred. Although the Corporation is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on the Corporation, certain facilities have been in operation for many years and over such time, the Corporation or the prior owners, operators or custodians of the properties may have generated and disposed of wastes which are or may be considered hazardous. There can be no assurance that the Corporation will not be required at some future date to incur significant costs to comply

with environmental laws, or that its operations, business or assets will not be materially affected by current or future environmental laws.

The Corporation, its transportation operations and its properties are subject to extensive and frequently-changing federal, provincial, state, municipal and local environmental laws, regulations and requirements in both Canada and the United States relating to, among other things, air emissions, the management of contaminants, including hazardous substances and other materials (including the generation, handling, storage, transportation and disposal thereof), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including ground water). A risk of environmental liabilities is inherent in transportation operations, historic activities associated with such operations and the ownership, management or control of real estate.

With respect to its waste management business, the Corporation may be subject to orders, fines, penalties or other legal actions relating to compliance with environmental laws and regulations, or to civil claims from parties alleging harm as a consequence of migrating contamination, odors, other releases in the environment or other environmental matters (including the acts or omissions of predecessor companies) for which the business may be responsible. The Corporation may also be subject to court challenges of its operating permits.

Environmental laws may authorize, among other things, federal, provincial, state and local environmental regulatory agencies to issue orders, bring administrative or judicial actions for violations of environmental laws and regulations or to revoke or deny the renewal of a permit. Potential penalties for such violations may include, among other things, civil and criminal monetary penalties, imprisonment, permit suspension or revocation, and injunctive relief. These agencies may also, among other things, revoke or deny renewal of the Corporation's operating permits, franchises or licenses for violations or alleged violations of environmental laws or regulations, and impose environmental assessment, removal of contamination, follow-up or control procedures.

Environmental Contamination. The Corporation may have liability for environmental contamination associated with its current or formerly-owned or leased waste management facilities as well as third-party facilities. If the Corporation incurs liability under applicable federal, state, provincial or local laws and regulations and if it cannot identify other parties which it can compel to contribute to its expenses and who are financially able to do so, it could have a material adverse effect on the Corporation's financial condition and results of operations.

The Corporation could be subject to orders and other legal actions and procedures brought by governmental or private parties in connection with environmental contamination, emissions or discharges. Any substantial liabilities associated with environmental contamination or emissions of pollutants generally, whether to federal, state, provincial or local environmental authorities or other parties, could have a material adverse effect on the Corporation's financial condition and results of operations.

Key Personnel. The future success of the Corporation will be based in large part on the quality of its management and key personnel. The loss of key personnel could have a negative effect on the Corporation. There can be no assurance that the Corporation will be able to retain its current personnel or, in the event of their departure, to attract new personnel of equal quality.

Loan Default. The Corporation's current credit facilities and financing agreements impose certain covenant requirements. There is a risk that such loans may go into default if there is a breach in complying with such covenants and obligations which could result in the Corporation being unable to pay dividends to shareholders, and in lenders realizing on their security and causing the Corporation to lose some or all of its assets. As at December 31, 2014, the Corporation was in compliance with all of its debt covenants and obligations.

Credit Facilities. The Corporation's credit facilities and financing agreements mature on various dates. There can be no assurance that such credit facilities or financing agreements will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to the Corporation. The Corporation's ability to pay dividends to shareholders may be adversely affected if the Corporation is not able to renew its credit facilities or arrange refinancing, or if such renewal or refinancing, as the case may be, occurs on terms materially less favourable to the Corporation than at present.

Credit Risks. The Corporation provides services to clients primarily in Canada and the United States. The concentration of credit risk to which the Corporation is exposed is limited due to the significant number of customers that make up its client base and their distribution across different geographic areas. Furthermore, no client accounted for more than 10% of the Corporation's total accounts receivable for the period ended December 31, 2014.

Availability of Capital. The Corporation's future growth may be dependent on the Corporation's ability to fund a portion of its capital expenditures and working capital with the current credit facilities and financing agreements. The Corporation may be required to reduce dividends or issue additional shares in order to accommodate these items. There can be no assurance that sufficient capital will be available on acceptable terms to the Corporation for necessary or desirable capital expenditures or that the amount required will be the same as currently estimated.

DIVIDENDS

The Corporation cannot declare or pay a dividend if it is in default, or if the payment of a dividend would cause the Corporation to be in default under its current credit facilities.

In 2014, the Corporation adopted a Dividend Policy whereby approximately 20% to 25% of the Corporation's annualized free cash flow available will be distributed every year as dividends to shareholders on a quarterly basis. The Board of Directors has determined that this level of distribution will allow the Corporation to maintain sufficient financial resources and flexibility to execute its operating and disciplined acquisition strategies, while providing an adequate return on shareholders' capital. The Board of Directors may also, at its discretion and at any time, change the amount of dividends distributed and/or elect not to distribute a dividend, whether as a result of a one-time decision or a change in the Dividend Policy.

The dividend is payable quarterly on the 15th day following the end of each quarter to shareholders of record as of the last trading day of such quarter. The following dividends (per common share) were declared for the 2014, 2013 and 2012 fiscal years:

Fiscal year ended December 31,

	2014	2013	2012
First Quarter	\$0.145	\$0.130	\$0.115
Second Quarter	\$0.145	\$0.130	\$0.130
Third Quarter	\$0.145	\$0.130	\$0.130
Fourth Quarter	\$0.170	\$0.145	\$0.130

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares (the “**Common Shares**”) and preferred shares, issuable in series. At December 31, 2014, there were 102,323,968 Common Shares and no preferred shares issued and outstanding.

Common Shares

The Common Shares entitle the holders thereof to one vote per share. The holders of the Common Shares are entitled to receive any dividend declared by the Corporation on the Common Shares.

Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property of the Corporation upon its dissolution, liquidation or winding-up.

Preferred Shares

The preferred shares may be issued in one or more series, with such rights and conditions as may be determined by resolution of the directors, which shall determine the designation, rights, privileges, conditions and restrictions to be attached to the preferred shares of such series. There are no voting rights attached to the preferred shares except as prescribed by law. In the event of the liquidation, dissolution or winding-up of the Corporation, or any other distribution of assets of the Corporation among its shareholders, the holders of the preferred shares of each series are entitled to receive, in priority over the Common Shares and any other shares ranking junior to the preferred shares of the Corporation, an amount equal to the redemption price for such shares plus an amount equal to any dividends declared thereon but unpaid and no more. The preferred shares of each series are also entitled to such other preferences over the Common Shares and any other shares ranking junior to the preferred shares as may be determined as to their respective series authorized to be issued. The preferred shares of each series shall be on a parity basis with the preferred shares of every other series with respect to payment of dividends and return of capital. There are no preferred shares currently issued and outstanding.

Convertible Debentures

The Corporation has issued 6% convertible unsecured subordinated debentures (the “**6% Debentures**”) and 5.65% convertible unsecured subordinated debentures (the “**5.65% Debentures**”). The following is a description of the material characteristics of the 6% Debentures and 5.65% Debentures.

6% Debentures. The Corporation issued the 6% Debentures in an aggregate principal amount of \$143.75 million pursuant to a prospectus dated November 11, 2010. The 6% Debentures were listed on the

Toronto Stock Exchange under the symbol "TFI.DB". The 6% Debentures bear interest at an annual rate of 6%, payable in equal instalments semi-annually in arrears, on May 31 and November 30 in each year. The maturity date of the 6% Debentures was November 30, 2015. The 6% Debentures are convertible into fully paid and freely-tradable Common Shares at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by the Corporation for redemption of the 6% Debentures, at a conversion price of \$19.05 per Common Share, representing a conversion rate of approximately 52.4934 Common Shares per \$1,000 principal amount of 6% Debentures.

On or after November 30, 2013 and prior to November 30, 2014, the 6% Debentures could be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date on which notice of a redemption was given exceeded 125% of the conversion price. On or after November 30, 2014 and prior to the maturity date, the 6% Debentures may be redeemed in whole or in part at the Corporation's option on not more than 60 days' and not less than 30 days' prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Subject to required regulatory approval and provided that there is not a current "Event of Default", the Corporation may, at its option, and upon at least 40 days' and not more than 60 days' prior notice, elect to satisfy its obligation to pay the principal amount of the 6% Debentures on redemption or at maturity, in whole or in part, through the issuance of freely-tradable Common Shares. Payment would then be satisfied by the Corporation delivering that number of freely-tradable Common Shares obtained by dividing the principal amount of the 6% Debentures by 95% of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or maturity, as applicable. Any accrued or unpaid interest will be paid in cash.

On January 3, 2014, the Corporation notified holders of the 6% Debentures that it would redeem, as of February 3, 2014, all of the aggregate principal amount of \$122,107,000 of the outstanding 6% Debentures by paying the aggregate principal amount of \$122,107,000, plus all accrued and unpaid interest thereon up to, but excluding, the redemption date. Holders of the 6% Debentures were entitled to convert their debentures, at their option, into Common Shares at a conversion price of \$19.05 per Common Share, representing a conversion rate of 52.4934 Common Shares per \$1,000 of the principal amount of the 6% Debentures.

Pursuant to the above-described conversion option, the Corporation received conversion requests for a principal amount of \$118,167,000 during the period between January 3 and January 31, 2014, resulting in the issuance of 6,202,974 Common Shares. Prior to the redemption announcement of January 3, 2014, a principal amount of \$21,240,000 of the 6% Debentures had been converted into Common Shares and \$403,000 had been redeemed pursuant to the Corporation's normal course issuer bid.

The Corporation redeemed an unconverted principal amount of \$3,940,000 of the 6% Debentures as at February 3, 2014. As a result, no 6% Debentures are outstanding.

5.65% Debentures. The Corporation issued the 5.65% Debentures in an aggregate principal amount of \$85 million pursuant to a prospectus dated August 30, 2011. The 5% Debentures were listed on the

Toronto Stock Exchange under the symbol "TFI.DB.A". The 5.65% Debentures bear interest at an annual rate of 5.65%, payable semi-annually in arrears, on March 31 and September 30 in each year. The maturity date of the 5.65% Debentures was September 30, 2018. The 5.65% Debentures are convertible into fully-paid and freely-tradable Common Shares at the option of the holder at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date specified by the Corporation for redemption of the 5.65% Debentures, at a conversion price of \$22.10 per Common Share, representing a conversion rate of approximately 45.2489 Common Shares per \$1,000 principal amount of 5.65% Debentures.

The 5.65% Debentures could not be redeemed by the Corporation before September 30, 2014, except in certain limited circumstances following a "Change of Control". On or after September 30, 2014 and prior to September 30, 2016, the 5.65% Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date on which notice of a redemption is given exceeds 125% of the conversion price. On or after September 30, 2016 and prior to the maturity date, the 5.65% Debentures may be redeemed in whole or in part at the Corporation's option on not more than 60 days' and not less than 30 days' prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Subject to required regulatory approval and provided that there is not a current "Event of Default", the Corporation may, at its option, and upon at least 40 days' and not more than 60 days' prior notice, elect to satisfy its obligation to pay the principal amount of the 5.65% Debentures on redemption or at maturity, in whole or in part, through the issuance of freely-tradable Common Shares. Payment would then be satisfied by the Corporation delivering that number of freely-tradable Common Shares obtained by dividing the principal amount of the 5.65% Debentures by 95% of the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending five trading days prior to the date fixed for redemption or maturity, as applicable. Any accrued or unpaid interest will be paid in cash.

On December 27, 2013, the Corporation announced its intention to purchase for cancellation, by way of a normal course issuer bid, up to \$8,477,300 principal amount of the 5.65% Debentures. The maximum repurchase amount represented 10% of the public float of \$84,773,000 principal amount of the 5.65% Debentures.

The normal course issuer bid was in place for a period of twelve months starting December 31, 2013 and ending December 30, 2014.

On September 9, 2014, the Corporation notified holders of the 5.65% Debentures that it would redeem, as of October 9, 2014, all of the aggregate principal amount of \$85,000,000 of the outstanding 5.65% Debentures by paying the aggregate principal amount of \$85,000,000, plus all accrued and unpaid interest thereon up to, but excluding, the redemption date. Holders of the 5.65% Debentures were entitled to convert their debentures, at their option, into Common Shares at a conversion price of \$22.10 per Common Share, representing a conversion rate of 45.2489 Common Shares per \$1,000 of the principal amount of the 5.65% Debentures.

Pursuant to the above-described conversion option, the Corporation received conversion requests for a principal amount of \$81,606,000 during the period between September 9 and October 8, 2014, resulting in the issuance of 3,692,572 Shares of TransForce. Prior to the redemption announcement of September 9, 2014, a principal amount of \$422,000 of the 5.65% Debentures had been converted into Common Shares and \$227,000 had been redeemed pursuant to the Corporation's normal course issuer bid.

The Corporation redeemed an unconverted principal amount of \$2,745,000 of the 5.65% Debentures as at October 9, 2014. As a result, no 5.65% Debentures are outstanding.

MARKET FOR SECURITIES

The Common Shares are listed on the Toronto Stock Exchange under the symbol "TFI" and in the United States on OTCQX International Premier, a segment of the OTCQX marketplace, under the symbol "TFIFF." The Common Shares are included in the S&P/TSX Equity, Capped Equity, Equity Completion and Equity SmallCap Indices. The table below sets out the price ranges and total volume of Common Shares traded on the Toronto Stock Exchange on a monthly basis during the fiscal year ended December 31, 2014.

<u>Month</u>		<u>High</u>	<u>Low</u>	<u>Volume</u>
January	\$	25.79	\$ 23.29	8,449,463
February		25.12	22.00	9,473,455
March		24.25	22.695	11,889,967
April		24.91	23.51	8,062,166
May		24.005	22.80	6,193,009
June		25.05	23.04	7,775,331
July		28.12	24.13	8,406,486
August		28.19	27.12	5,828,819
September		29.01	26.16	6,153,888
October		27.83	25.55	11,582,302
November		30.34	26.175	10,739,730
December		30.27	28.11	9,391,582

Until their redemption on February 3, 2014, the 6% Debentures were listed on the Toronto Stock Exchange under the symbol TFI.DB. The table below sets out the price ranges and total volume traded (in dollars) for the 6% Debentures on a monthly basis during the fiscal year ended December 31, 2014.

<u>Month</u>		<u>High</u>	<u>Low</u>	<u>Volume</u>
January	\$	123.00	\$ 117.70	2,097,000
February		118.10	117.60	74,000

Until October 9, 2014, the 5.65% Debentures were listed on the Toronto Stock Exchange under the symbol TFI.DB.A. The table below sets out the price ranges and total volume traded (in dollars) for the 5.65% Debentures on a monthly basis during the fiscal year ended December 31, 2014.

<u>Month</u>		<u>High</u>		<u>Low</u>	<u>Volume</u>
January	\$	123.00	\$	117.70	2,097,000
February		121.75		116.00	2,406,000
March		110.06		116.00	5,531,400
April		121.75		118.18	1,408,000
May		118.56		112.01	3,901,000
June		122.67		117.34	3,531,000
July		129.32		119.50	5,459,000
August		127.50		124.00	1,230,000
September		132.00		117.81	12,962,000
October		123.58		115.00	3,361,000

DIRECTORS AND OFFICERS

The following table sets out the name, city, province or state and country of residence, position held with the Corporation and principal occupation of each person who is a director of the Corporation as of the date hereof and the year in which the person became a director. Except as otherwise indicated, each person has held his or her principal occupation for the last five years. Each of the directors has been elected to serve until the next annual meeting of shareholders of the Corporation.

<u>Name, City, Province/State and Country of Residence</u>	<u>Position with the Corporation</u>	<u>Principal Occupation</u>	<u>Principal Occupation within the preceding five years</u>	<u>First Year as Director of the Corporation (or its predecessor)</u>
Alain Bédard, FCPA, FCA Jupiter, Florida, U.S.A	Director Chairman of the Board of Directors, President, Chief Executive Officer and acting Chief Financial Officer	President and Chief Executive Officer of the Corporation	—	1993
André Bérard ⁽²⁾⁽³⁾ Montreal, Québec, Canada	Lead Director	Corporate Director	—	2003
Lucien Bouchard ⁽³⁾ Outremont, Québec, Canada	Director	Partner Davies Ward Phillips & Vineberg LLP (law firm)	—	2007
Richard Guay ⁽¹⁾⁽²⁾⁽⁵⁾ Montreal, Québec, Canada	Director Chairman of the Human Resources and Compensation Committee	Corporate Director	—	2004
Annie Lo ⁽³⁾ New Hope, PA, USA	Director	Corporate Director	From 2001 to 2011, Chief	2014

<u>Name, City, Province/State and Country of Residence</u>	<u>Position with the Corporation</u>	<u>Principal Occupation</u>	<u>Principal Occupation within the preceding five years</u>	<u>First Year as Director of the Corporation (or its predecessor)</u>
			Financial Officer for the Worldwide Consumer & Personal Care Group, Johnson & Johnson (healthcare company)	
Neil D. Manning ⁽³⁾ Victoria, B.C., Canada	Director Chairman of the Corporate Governance and Nominating Committee	Corporate Director	—	2013
Vincent Musacchio, LL.B. ⁽³⁾ Montreal, Québec, Canada	Director	President Gabiella Holdings Inc. (investment company)	—	2012
Ronald D. Rogers ⁽¹⁾ Calgary, Alberta, Canada	Director Chairman of the Audit Committee	Corporate Director	—	2006
Joey Saputo ⁽²⁾⁽⁴⁾ Montreal, Québec, Canada	Director	President Montreal Impact and Saputo Stadium (sports and entertainment)	—	1996

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) Joey Saputo was a director of 3741851 Canada Inc. (formerly Expert Medic Inc.), which was declared bankrupt under the *Bankruptcy and Insolvency Act* (Canada) on August 30, 2005.

(5) Until March 2010, Richard Guay sat as a representative of *Investissement Québec* on the Board of Directors of Trimag G.P. Inc., the general partner of Trimag, S.E.C., a limited partnership which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in April 2009. In September 2009, the partnership entered into a plan of arrangement with its creditors which was implemented. Richard Guay was also the Executive Vice-President of Groupe Melior Inc. until October 2009. Groupe Melior Inc. filed an assignment in bankruptcy on July 13, 2010.

The following table sets out the name, city, province or state and country of residence, position held with the Corporation and principal occupation of each person who is an officer of the Corporation as of the date hereof (with the exception of the Chairman of the Board of Directors, President, Chief Executive Officer and acting Chief Financial Officer).

Name, City, Province/State and Country of Residence	Position with the Corporation	Principal Occupation	Principal Occupation within the preceding five years
Jean-François Dodier Lévis, Québec, Canada	Executive Vice-President	Executive Vice-President of the Corporation	Prior to May 2011, General Manager of Besner, a subsidiary of the Corporation
Brian Kohut Mississauga, Ontario, Canada	Executive Vice-President	Executive Vice-President of the Corporation	Prior to May 2011, President of ICS Courier and Kingsway, subsidiaries of the Corporation
Robert O'Reilly Cambridge, Ontario, Canada	Executive Vice-President	Executive Vice-President of the Corporation	Prior to May 2011, President of TST group of companies, subsidiaries of the Corporation
Daniel Auger Laval, Québec, Canada	Vice-President, Information Technology	Vice-President, Information Technology of the Corporation	From 2014 to 2015, Vice-President, Business Enablement of IWEB Technologies Inc., from 2013 to 2014, consultant for IWEB Technologies Inc. and from 2009 to 2011, Chief Information Officer of CAE Inc.
Johanne Dean Jupiter, Florida, U.S.A.	Vice-President, Marketing and Communications	Vice-President, Marketing and Communications of the Corporation	—
Sylvain Desaulniers, CIRC Montreal, Québec, Canada	Vice-President, Human Resources	Vice-President, Human Resources of the Corporation	—
Louis Gagnon, Rosemère, Québec, Canada	Vice-President, Business Development	Vice-President, Business Development of the Corporation	—
Josiane-M. Langlois, LL.M. Beaconsfield, Québec, Canada	Vice-President, Legal Affairs & Corporate Secretary	Vice-President, Legal Affairs of the Corporation	—
Chantal Martel, LL.B. Saint-Lazare, Québec, Canada	Vice-President, Insurance & Compliance	Vice-President, Insurance & Compliance of the Corporation	—

Martin Quesnel, CPA, CA Boucherville, Québec, Canada	Vice-President, Finance	Vice-President, Finance of the Corporation	—
Margaret A. Smith, CPA, CA Freshwater, Newfoundland, Canada	Vice-President Finance, Operations Support	Vice President Finance, Operations Support of the Corporation	From 2011 to 2014, Director of finance of the Parcel & Courier Segment of the Corporation, prior to 2011, Vice-President, Finance of TForce Integrated Solutions, a subsidiary of the Corporation.
Ken Tourangeau, CA Laval, Québec, Canada	Vice-President, Administration	Vice President, Administration of the Corporation	—

As at December 31, 2014, the directors and executive officers of the Corporation, as a group, beneficially owned or otherwise exercised control or direction over, directly or indirectly, an aggregate of 4,736,638 Common Shares, representing approximately 4.63% of the issued and outstanding Common Shares of the Corporation.

Except as set out in the notes to the tables in this section entitled “Directors and Officers”, to the knowledge of the Corporation, none of the foregoing directors or executive officers of the Corporation (and with respect to (b) and (c) below, none of the shareholders of the Corporation holding a sufficient number of Common Shares to affect materially the control of the Corporation):

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
 - (i) 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “Order”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - (ii) 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 of such company; or
- (b) is, or within the last ten years has been, 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
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or

compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

To the knowledge of the Corporation, none of the foregoing directors or executive officers of the Corporation and none of the shareholders of the Corporation holding a sufficient number of Common Shares to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the knowledge of the Corporation, no director or officer of the Corporation or any of its subsidiaries has an existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee charter is set out as Schedule A to this annual information form.

Audit Committee Composition

The Audit Committee is composed of three members, namely Ronald D. Rogers, Chairman, Richard Guay and Annie Lo. In the opinion of the Board of Directors of the Corporation, each member of the Audit Committee is independent and financially literate within the meaning of National Instrument 52-110 *Audit Committees*.

Relevant Education and Experience

In the opinion of the Board of Directors of the Corporation, each member of the Audit Committee has a good command of generally accepted accounting principles and has the ability to understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. This section describes at greater length how these members acquired their financial literacy.

Ronald D. Rogers, prior to his retirement in September 2004, was Senior Vice-President and Chief Financial Officer of Shaw Communications Inc.

Richard Guay, prior to his retirement in August 2003, held a number of senior positions with Laurentian Bank of Canada, including Executive Vice-President.

Annie Lo held a variety of financial positions at Johnson & Johnson, a Fortune 30 company and the world's largest healthcare conglomerate including serving as the Chief Financial Officer for the Worldwide

Consumer & Personal Care Group from 2001 to 2011. She also held other highly diverse leadership positions at Johnson & Johnson, including Investor Relations Officer, V.P. of Internal Audit Department and Chief Financial Officer for a large U.S. division and the Asia Pacific region.

Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has adopted in its charter, a specific policy and procedure for the engagement of non-audit services.

External Auditor Service Fees (by Category)

The table below sets out all fees paid by the Corporation to its external auditor, KPMG LLP, Chartered Accountants, for the years ended December 31, 2014 and 2013:

	Year ended December 31,	
	2014	2013
Audit Fees	\$ 733,500	\$ 692,000
Audit-Related Fees ⁽¹⁾	25,000 US\$ 95,500	—
Tax Fees ⁽²⁾	190,319	62,460
All Other Fees	—	—
TOTAL	\$ 948,819 US\$ 95,500	\$ 754,460

(1) Audit-Related Fees were billed for the following services: review of the financial statements of a disposed division, audit of the net working capital calculation statement and of the retirement plan of newly acquired companies, and providing accounting assistance for SWAP arrangements, hedge accounting, redemption of convertible debentures, LTIP and segment reporting.

(2) Tax fees were billed for professional services rendered for tax advice and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of the Corporation is not aware of any material litigation outstanding, threatened or pending as of the date hereof by or against the Corporation other than in the normal course of business.

During the fiscal year ended December 31, 2014, the Corporation was not subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority;
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) any settlement agreements entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No directors or executive officers of the Corporation, and no person or corporation that is the beneficial owner of, or who exercises control or direction over, directly or indirectly, more than 10% of the Corporation's shares or any of their respective associates or affiliates, has or has had a material interest, direct or indirect, in any transaction, whether proposed or concluded, which had, or may have, a material effect on the Corporation or its subsidiaries within the three most recently-completed financial years or during the current financial year.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada. The register of transfers of the Common Shares is located at the offices of Computershare Trust Company of Canada in Montreal and Toronto.

MATERIAL CONTRACTS

No contract, other than contracts entered into in the ordinary course of business, considered material to the Corporation have been entered into during its last fiscal year, other than the Support Agreement dated as of July 24, 2014 among the Corporation, 2420785 Ontario Inc. (an indirect, wholly-owned subsidiary of the Corporation), and Contrans Group Inc., a copy of which is available under the Corporation's profile on SEDAR at www.sedar.com.

NAME AND INTERESTS OF EXPERTS

KPMG LLP prepared the Auditors' Report with respect of the Corporation's Consolidated Financial Statements for the fiscal year ended December 31, 2014. KPMG LLP has confirmed to the Corporation that it is independent in accordance with the Code of Ethics of the *Ordre des Comptables Professionnels Agréés du Québec*.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Corporation's Management Proxy Circular in respect of the annual meeting of shareholders to be held on April 22, 2015.

Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis relating thereto for the fiscal year ended December 31, 2014. These documents, as well as additional information relating to the Corporation, including any of the Corporation's news releases, are also available on SEDAR at www.sedar.com.

Schedule A
Audit Committee Charter
Revised December 2012

PURPOSE

The primary function of the Audit Committee (the “**Committee**”) of TransForce Inc. (the “**Corporation**”) is to assist the Board of Directors (the “**Board**”) in fulfilling its oversight responsibilities by reviewing with its auditors: (a) the financial reports and other financial information provided by the Corporation to any governmental body or the public, being understood that the financial statements are the responsibility of management and that the Committee’s role is solely to assist the Board in fulfilling its oversight responsibilities; (b) the Corporation’s systems of internal controls regarding finance and accounting that management and the Board have established; and (c) the Corporation’s auditing, accounting and financial reporting processes generally.

All of the requirements in this Charter are qualified by the understanding that the role of the Committee is to act in an oversight capacity and is not intended to require a detailed review of the work performed by the external auditors unless specific circumstances are brought to its attention warranting such a review.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the external and internal auditors as well as anyone in the organization. The Committee has the ability to retain, at the Corporation’s expense, specific advisors, consultants or experts it deems necessary in the performance of its duties.

COMPOSITION

The Committee shall be composed of three or more Directors as determined by the Board. At least the majority members of the Committee must be independent (must be free of any relationship to the Corporation that may interfere with the exercise of their independence from management and the Corporation).

All members of the Committee must be financially literate and shall possess an understanding of financial statements, including balance sheet, income statement and cash flow statement or be able to do so within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee shall have accounting or related financial management expertise, as the Board, in its business judgment, interprets such qualification.

The members of the Committee shall be appointed by the Board at the annual or any regular meeting of the Board. The members of the Committee shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal. The Chair of the Committee shall be appointed by the Chairman of the Board. If a Chair is not elected by the full Board or is not present at a particular meeting, the members of the Committee may designate a Chair by majority vote of the Committee membership in attendance.

MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet at least annually with management, the independent members, the internal and external auditors and as a Committee, in separate executive sessions, to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee, or at least the Chair, should meet with the external auditors and management quarterly, either in person or telephonically, to review the Corporation’s interim financial statements. The Committee Chair shall prepare and/or approve the agenda in advance of each meeting.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall perform the following:

Documents/Reports Review

- a) Review and reassess the adequacy of this Charter at least annually.

- b) Review and discuss with management and the external auditors the Corporation's annual audited financial statements prior to filing or distribution. This review and discussion should encompass the results of the audit, including significant issues regarding accounting principles, practices and judgments.
- c) Review with management the quarterly financial results prior to the earlier of the release of earnings or the filing of the Quarterly Reports. The Chair of the Committee may represent the entire Committee for purposes of this review, in case of emergency in the event the Committee is unable to meet.
- d) Review and discuss with management all significant issues surrounding corporate risk including insurance coverage and environmental issues as required.
- e) Develop and review on an annual basis, or more frequently if appropriate, a Whistle Blower Policy and ensure that such policy is appropriate for the Corporation and complies with the applicable laws, regulations, and listing standards, and to recommend any changes as necessary to the Board. Upon the adoption of such rules, the Committee will oversee their enforcement.
- f) Review on an annual basis the Corporation defined benefit pension plans performance.

Independent Accountants

- a) Recommend to the Board the selection of external auditors, considering independence and effectiveness and approve the fees and other compensation to be paid to the external auditors.
- b) Make clear that the external auditors for the Corporation are ultimately accountable to the Committee and the Board, that the Committee and Board have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditors or to nominate the external auditor to be proposed for Shareholder approval in any proxy statement.
- c) Require the external auditors to submit on a periodic basis (but at least annually) to the Committee a formal written statement in accordance with Independence Standards delineating all relationships between them and the Corporation, actively engage in a dialogue with them with respect to any disclosed relationships or services that may impact their objectivity and independence, and recommend that the Board take appropriate action in response to the report of the external auditors to satisfy itself of the external auditors' independence.
- d) Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
- e) Discuss with the external auditors their audit plan.
- f) Review and approve in advance all non-audit services performed by the external auditing firm. Notwithstanding the foregoing:
 - i) the audit committee may delegate to one or more independent members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated must thereafter be presented to the audit committee at its first scheduled meeting following such pre-approval.
 - ii) when the aggregate amount of all the non-audit services is not more than One Hundred Thousand Dollars (\$100,000) to be paid by the Corporation to the Corporation's external auditor such non-audit are deemed to be pre-approved by the committee if they are approved by the CEO of the Corporation and provided that the services are promptly brought to the attention of the audit committee of the issuer at its first scheduled meeting following such non-audit services are given.
 - iii) The following non-audit services are strictly prohibited and shall in no circumstance be performed by the external auditing firm:

- Bookkeeping or other services related to the Corporation's accounting records or financial statements;
- Financial information systems design and implementation;
- Appraisal or valuation services for financial reporting purposes;
- Actuarial services for items recorded in the financial statements;
- Internal audit outsourcing services;
- Management functions;
- Human resources;
- Certain corporate finance and other services;
- Legal services;
- Certain expert services unrelated to the audit.

Internal Audit

- a) Review and concur in the appointment, replacement, reassignment or dismissal of the director of internal audit.
- b) Confirm and assure the independence of the internal auditor.
- c) Evaluate, in consultation the director of internal auditing, the audit scope and role of internal audit.
- d) In consultation with management and the external auditors, evaluate the effectiveness and independence of the Corporation's internal audit function including the reporting relationship to the Committee and the compliance with the Committee charter.
- e) Review with the director of internal audit and management, the audit plan, activities, staffing and organizational structure of internal audit.

Financial Reporting Processes

- a) In consultation with management and the external auditors, consider the integrity of the Corporation's financial reporting processes and controls and whether such controls are adequate.
- b) Discuss significant financial reporting issues including off balance sheet arrangements and/or special purpose entities and the steps management has taken to monitor, control and report such issues.
- c) Review significant findings prepared by the external auditors together with management's response.
- d) Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors.
- e) Review the annual budget on an annual basis.
- f) Review and recommend the proposed dividend payouts on a quarterly basis.
- g) Discuss with the external auditors their judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting.
- h) Based on the review and discussions referred to previously, recommend to the Board that the audited financial statements be included in the Corporation's Annual Report.
- i) Prepare a report of the Committee to be included in the Corporation's Proxy Circular for its Annual Meeting.

Other

- a) The Committee will establish procedures for the receipt, retention and treatment of any complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.
- b) The Committee will review the accounting principles and practices.

- c) The Committee will establish procedures for the confidential, anonymous submission by the employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- d) Nothing in this Charter will, or be deemed to, decrease or modify any manner adverse to any member of the Committee, such member's right to rely on statements and certifications made by Corporation's officers, employees, agents, counsel, experts and auditors.
- e) Nothing in this charter will, or will be deemed to, adversely affect in any manner the rights of members of the Committee to indemnification and advancement of expenses under the Corporation's By-Laws or under any contract, agreement, arrangement or understanding benefiting such member.
- f) Notwithstanding any other provision of this Charter, no provision of this Charter will, except to the extent required by applicable law, rule or regulation, be construed to create any duty, liability or obligation on the part of the Committee or its members.

The Committee relies on the expertise and knowledge of management and the public accounting firm in carrying out its oversight responsibilities. Management of the Corporation is responsible for determining that the Corporation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The public accounting firm is responsible for auditing the Corporation's financial statements. It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete, accurate and are in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations of the Corporation's internal policies, procedures or controls.