



## Audit Committee Charter Revised December 2020

### PURPOSE

The primary function of the Audit Committee (the “**Committee**”) of TFI International 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, quarterly financial results, Management Discussion and Analysis ("MD&A") and draft audit related disclosures for proxy statements before the Corporation publicly discloses this information. This review and discussion should encompass the results of the audit, including significant issues regarding accounting principles, practices and judgments.

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.

- c) Review and discuss with management all significant issues surrounding corporate risk including insurance coverage, derivatives, information systems and cybersecurity, stress testing and environmental issues as required.
- d) 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.
- e) Review on an annual basis the Corporation pension plans performance.

### **External Auditors**

- 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) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- c) 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.

- d) 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.
- e) Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
- f) Discuss with the external auditors their audit plan.
- g) Review and approve in advance all non-audit services performed by the Corporation's duly appointed external auditing firm. Notwithstanding the foregoing:
  - i) the audit committee may delegate to the chairman of the committee, the authority to pre-approve non-audit services to be performed by the Corporation's duly appointed audit firm. The pre-approval of such non-audit services by chairman to whom authority has been delegated must thereafter be presented to the audit committee at its first scheduled meeting following such pre-approval.
  - ii) if the amount to be paid by the Corporation to the Corporation's duly appointed external auditing firm is less than seventy-five thousand dollars (CAD\$75,000) for each specific mandate, up to an aggregate annual amount of all the non-audit services not more than One Hundred Fifty Thousand Dollars (CAD\$150,000), such non-audit services are deemed to be pre-approved by the committee if they are approved by the chairman of the committee and provided that the services are promptly brought to the attention of the Committee 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 Corporation's duly appointed 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.
- h) Resolution of disagreements between management and external auditors;

## **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. The Committee must be satisfied that the adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (other than the Corporation's financial statements, MD&A and annual and interim profit or loss press releases), and periodically assess the adequacy of those procedures.
- 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.