



***ANNUAL INFORMATION FORM
FOR FISCAL YEAR ENDED DECEMBER 31, 2008***

March 31, 2009

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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. These are “forward-looking” statements and reflect management’s current expectations, intentions, plans and beliefs. They are based on information currently available to management. Words such as “may”, “could”, “should”, “would”, “believe”, “expect”, “anticipate” 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 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 are made only as of the indicated date. 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 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) increases in fuel prices, 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 revenue equipment;
- (10) changes in interest rates;
- (11) cost of liability insurance coverage; and
- (12) downturns in general economic conditions affecting the Corporation and its customers.

The foregoing list should not be construed as exhaustive, and the Corporation disclaims any obligation subsequently to revise or update any previously made forward-looking statements. Unanticipated events are likely to occur. 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.

ORGANIZATIONAL STRUCTURE

In this annual information form, the term “Corporation” means TransForce Inc., a corporate entity incorporated on March 28, 2008 pursuant to the *Canada Business Corporation 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. (“TFI Holdings”) 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.

At the special unitholders meeting held on May 12, 2008, the Fund's unitholders approved the conversion of the Fund into the Corporation. On May 20, 2008, the common shares of TFI commenced trading on the Toronto Stock Exchange under the symbol "TFI" and the trust units of the Fund (TIF.UN) were delisted from the Toronto Stock Exchange. In connection with the conversion, unitholders of the Fund and holders of "tracking share unit" of TFI Holdings indirectly exchanged their trust units of the Fund or "tracking share units" of TFI Holdings on the basis of one common share for each trust unit or "tracking share unit".

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* (Quebec) 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 Quebec 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 head office of the Corporation is located at 8585 Trans-Canada Highway, Suite 300, Saint-Laurent, Québec H4S 1Z6.

The diagram set out on the following page details the organizational structure of the Corporation as at the date hereof. Unless otherwise indicated, each of the entities identified in the diagram has been incorporated or constituted pursuant to the laws of the Province of Quebec. Unless otherwise indicated, each of the entities is wholly-owned by the Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation, through its wholly owned subsidiaries, continues to operate the business of the Fund prior to its conversion and of TFI prior to its conversion. 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 transborder 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") and Specialized Services. The Corporation's independent subsidiaries are recognized for their professional expertise. The Corporation will continue to carry out this strategy.

As part of the strategic plan, in March 1998, the Corporation entered the transborder 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 transborder 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 proceeded to two other major acquisitions: in January 2004, the Corporation completed the acquisition of substantially all of the assets of Canadian Freightways Limited, which offers services of both LTL and TL in Canada and the United States and also offers Specialized Services in the areas of logistics and fleet management, customs brokerage and bonded warehousing and international freight forwarding. The addition of Canadian Freightways' TL Segment improved the Corporation's TL coverage across Canada, particularly in the western provinces. The Corporation also increased route density and extended its LTL operations across Canada with the acquisition of Canadian Freightways and its associated companies; and in October 2004, the Corporation completed the acquisition of 3846113 Canada Inc. (Highland Transport), which strengthened its 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's Specialized Services business segment in a new area.

In 2006, the Corporation acquired Kos Corp Oilfield Transportation, Hemphill Trucking Ltd. and Streeper Contracting Ltd. These acquisitions provided the Corporation with a solid platform in the oilfield services sector. Kos, through its well-established position, serves as the foundation for this platform and as a catalyst for future growth within the sector.

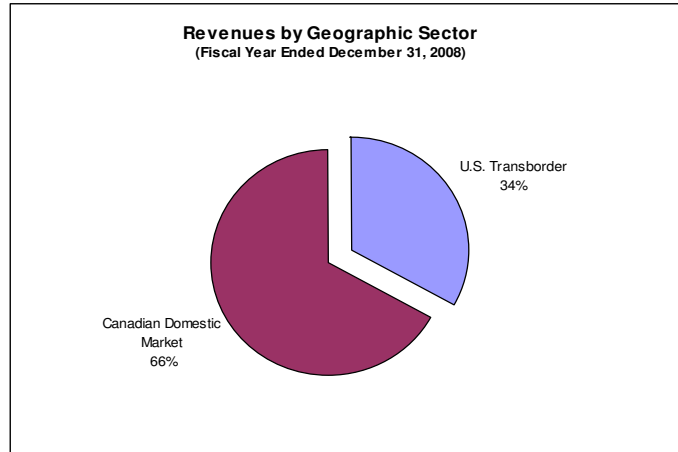
The Corporation's expansion in the oilfield services industry is consistent with its diversification strategy. The sector has recently enjoyed high growth rates, strong margins and low capital expenditure requirements relative to general trucking. The sector, with a traditionally strong first quarter, also provides the benefit of being counter-seasonal to the majority of the Corporation's other divisions.

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 specialized services sector, namely the leasing of equipment as well as personnel placement services.

Since 1998, the Corporation has acquired more than 111 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 \$2.26 billion for the fiscal year ended December 31, 2008. The Corporation has a solid financial position with customers covering a broad cross-section of industries and close to 15,270 employees and 1,820 owner-operators and 1,800 employees in the Corporation's Fleet Management and Personnel Services divisions. 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. Ten years after the strategic plan was implemented, the Corporation now operates in four well-defined business segments (i) Less Than Truckload (LTL); (ii) Package and Courier; (iii) Specialized Services, which includes its ancillary transportation services such as logistics, warehousing & dedicated services, fleet management & personnel services; oilfield & oilsand services and waste management; and (iv) Truckload, which includes specialized truckload 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 (domestic and Canada-U.S. transborder) of the Corporation's consolidated revenues for the fiscal year ended December 31, 2008.



Strategic Acquisitions & Dispositions

Acquisitions

During the fiscal year ended December 31, 2008, the Corporation concluded the following important acquisitions:

Name	Date	Business Segment
Groupe Thibodeau Inc. (and subsidiaries)	January 14, 2008	Less than truckload
Services de personnel Unique Inc.	February 1, 2008	Fleet Management & Personnel Services
La Crete Transport 79 Ltd.	March 1, 2008	Less than truckload
Camionnage G.H.L. Inc. and Transport Laval-Chem Inc.	April 1, 2008	Truckload
Kobelt Transportation Inc.	May 1, 2008	Logistics Services
Patriot Freight Services Inc.	May 1, 2008	Logistics Services
Transport Couture & Fils Ltée	October 1, 2008	Truckload
Roland Thibault Inc. & Les Carrières Thibault Inc.	October 21, 2008	Waste Management
Winalta Transport Ltd.	December 19, 2008	Truckload

The important acquisitions made by the Corporation during the fiscal year ended December 31, 2008 consisted of all of the outstanding shares of Groupe Thibodeau Inc. (and subsidiaries) on January 14, 2008, of Services de personnel Unique Inc. on February 1, 2008, of La Crete Transport 79 Ltd. on March 1, 2008, of Camionnage G.H.L. Inc. and Transport Laval-Chem Inc. on April 1, 2008, of Kobelt Transportation Inc. on May 1, 2008, of Patriot Freight Services Inc. on May 1, 2008, of Transport Couture & Fils Ltée on October 1, 2008, of Roland Thibault Inc. & Les Carrières Thibault Inc. on October 21, 2008 and of the certain assets of Winalta Transport Ltd. on December 19, 2008.

The aggregate acquisition cost of the foregoing companies was approximately \$101.7 million.

Groupe Thibodeau Inc. is a less-than-truckload and truckload carrier that is headquartered in Portneuf, Quebec and operates primarily in Quebec, Ontario and the United States with annual revenues of approximately \$80 million. The addition of Groupe Thibodeau Inc. strengthens the Corporation's existing less-than-truckload and truckload operations, giving the Corporation greater capacity in these segments in Eastern Canada.

Services de personnel Unique Inc. is one of Canada's leading suppliers of outsourced human resource services. It is headquartered in Montreal and has offices in Halifax, Moncton, Toronto, Winnipeg, Calgary, and Vancouver. It has annual revenues of more than \$50 million. Unique is an important and complementary addition to the Corporation's growing Personnel Services group where it operates as part of the Specialized Services segment.

La Crete Transport 79 Ltd. specializes in providing overnight LTL shipping from Edmonton to northwestern Alberta. It has terminals in High Level, Edmonton and Grande Prairie and generates approximately \$8 million in annual revenue.

Camionnage G.H.L. Inc. and Transport Laval-Chem Inc. are specialized in the transportation of oil and chemical products and are also specialized in the provisioning of ships through-out Canada and in the North-East of the United States and generates approximately \$32 million in annual revenue.

Kobelt Transportation Inc. based in Sherbrooke, Quebec, is an established sales and customer service agent that represents Canadian truckload carriers in the United States. Its particular strength is in the Northbound cross-border market. Kobelt has annual revenues of approximately \$5 million.

Patriot Freight Services Inc. is based in the greater Montreal metropolitan area and operates a division in Mississauga, Ontario. It is a non-asset-based freight forwarding and brokerage company, offering third-party logistics and transportation services to shippers, manufacturers, distributors and other 3PL's and freight forwarders throughout Canada, the United States and worldwide. It specializes in TL and LTL freight between Canada and the U.S. by truck and rail. More importantly, Patriot provides air and ocean services to and from any market in the world and generate approximately \$25 million in annual revenue.

Transport Couture & Fils Inc., headquartered in St-Éphrem-de-Beauce, Quebec, has a strong track record of providing cross border truckload and less-than-truckload services. It generates annual revenues of approximately \$30 million. Most of Transport Couture's business takes place in Ontario, Quebec and the northeastern United States. In addition to its headquarter location, it also has operating sites in Montreal and Drummondville, Quebec.

Roland Thibault Inc. and Les Carrières Thibault Inc. based in Granby, Quebec, specialize in the collection, transportation and disposal of non-hazardous solid waste and recently completed the permitting process, with the Québec Ministry of the Environment, for the construction of a 6.8 million cubic meter expansion of their site. This expansion will conform to new Ministry landfill regulations and will be constructed using the latest technology. At current annual volumes, the landfill site will satisfy local business and municipal waste disposal needs for at least 40 years. They also plan to institute a number of recycling initiatives that will divert waste from landfills and further contribute to meeting the local municipalities' diversion goals as set out in their waste management master plan (Plan de Gestion des Matières Résiduelles du Québec).

Winalta Transport Ltd. based in Edmonton, Alberta, has provided heavy haul Truckload shipping services to the energy and construction sectors for more than 23 years. Recently, Winalta has expanded its services to include pipe hauling and storage services. Its main pipe storage yard is near its main Edmonton facility and it has another operating facility in Red Earth, Alberta. Winalta generates approximately \$7 million in revenues annually.

All of the foregoing acquisitions were arm's length transactions. The Corporation did not file a business acquisition report pursuant to Form 51-102F4 for any of the above-mentioned acquisitions.

Subsequent Event

Following the fiscal year ended December 31, 2008, the Corporation concluded the acquisitions of all of the outstanding shares of Provider Transportation & Logistics Inc. on February 1, 2009, of D. Donnelly Inc. on March 1, 2009, and of certain assets of The Michael McGrath Family Trust on March 1, 2009.

All of the foregoing acquisitions were arm's length transactions. The Corporation did not file a business acquisition report pursuant to Form 51-102F4 for any of the above-mentioned acquisitions.

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 four well-defined operational segments: (i) Less Than Truckload (LTL); (ii) Package and Courier; (iii) Specialized Services, which includes its ancillary transportation services such as logistics, warehousing & dedicated services, fleet management & personnel services; oilfield & oilsand services and waste management; and (iv) Truckload, which includes specialized truckload services. Through internal growth and acquisitions, the Corporation has significantly increased its geographic scope.

The LTL group provides partial-load general-freight shipment to customers across North America. The Package and Courier group offers non-expedited business-to-business Parcel Delivery across Canada. The Specialized Services Segment provides a wide range of logistics services including international freight forwarding, customs brokerage, fleet management, personnel placement agencies and integrated management of industrial, commercial, oilfield transportation services, and residential solid waste collection and treatment. The TL Segment provides full-load transport of general merchandise in North America and Specialized TL offers a wide variety of value-added services, including bulk material shipments, expedited deliveries, transport by open trailer and transport of explosives.

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 four distinct transport segments is expected to help mitigate the effects of any economic downturn.

Equipment

As at December 31, 2008, the Corporation owned or leased approximately 7,265 power units (including 1,820 owner operators) and more than 13,400 trailers. This includes approximately 940 trailers operated by the Corporation's Fleet Management and Personnel Services divisions.

Licences

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

The activities conducted by the Corporation's business are subject to general demand for freight transportation. Historically, this demand has been rather stable through the year with the exception of the winter months, in which case, it decreases slightly. Consequently, the Corporation's activities during its second, third and fourth quarters are usually stronger than during its first quarter. Furthermore, during the harsh winter months, fuel consumption and maintenance costs tend to rise.

Revenues

(in percentages)

During the fiscal years ended December 31, 2008 and December 31, 2007, the Corporation's revenues by business segment, were as follows:

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2007
Less than Truckload	29%	27%
Package & Courier	13%	10%
Specialized Services	23%	22%
Truckload including specialized truckload services	35%	41%

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 LTL, Package &

Courier, Specialized Services and TL or Specialized TL 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 in the LTL sector are Day & Ross Inc. and Manitoulin Transport Inc., in the parcel sector is Purolator Courier Ltd., in the TL sector are Challenger Motorfreight Inc. and SGT 2000 Inc., in the Specialized TL is Contrans Income Fund, in the Oilfield and Oilsand sector are Mullen Income Fund and Flint Energy Services Ltd. and in the waste management sector are BFI Canada Income Fund and RCI Environment Inc.

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

Through its subsidiaries, the Corporation has approximately 15,270 employees, a majority of whom are subject to a number of collective agreements and 1,820 owner-operators and 1,815 employees in the Corporation's Fleet Management and Personnel Services divisions who are mostly non-unionized. The Corporation considers that it has a very low turnover rate of 8% among the employees in its group, compared to industry standards, and that employee relations are good. 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. 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.

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 impacts relating to its specific operation.

Following certain emission standards that came into effect in October 2002 in the United States, many transporters had to carry out upgrades on old trucks. Given the relatively new age of its fleet, the Corporation has not been required to make significant expenditures in this regards.

For 2008, the environmental management by the Corporation has not required significant expenditures with regards to the compliance of its ongoing operations or material remediation.

Trademarks

The Corporation has a total of 107 applied-for or registered trademarks in Canada and the United States, of which 91 are for use in Canada and 16 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 the United States; (iii) "TST" family of trademarks in Canada and the United States; (iv) "CF" family of trademarks in Canada and the United States; (v) "ICS Courier" and (vi) "Canpar" 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 field has increased the number of competitors as well as competition with respect to price. Competition is particularly strong in the Toronto-Montreal-Quebec corridor. In addition, the Corporation faces competition from other transporters in Ontario, Quebec and in the northeast United States; certain of these competitors may through affiliations or otherwise have greater financial resources than the Corporation.

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 the fact that the transportation industry is largely deregulated, carriers must obtain licences 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. Regulation of the operations of transportation companies may become more stringent over time. Any change in these regulations could have an adverse impact on the scope of the Corporation's transportation 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 Services Matrec Inc. subsidiary, owns non-hazardous solid waste landfills located in the cities of Larouche, Chicoutimi and Granby, Québec. In addition, it participates in a joint venture landfill located in Moose Creek, Ontario. Each of these sites is regulated and permitted by the relevant provincial ministry of the environment. The loss by the Corporation of any of these permits would 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.

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

Interest Rate Fluctuations. The Corporation is subject to fluctuations in interest rates. The Corporation seeks to manage its interest rate exposure through interest swap contracts. The Corporation has approximately 82% of its long-term debt in variable-rate instruments and the remaining 18% at fixed rates.

As at December 31, 2008, the Corporation had \$359.6 million of long-term debt at variable rates (net of \$224.2 million of interest rate swap contracts). A 1% change in interest rates would impact the Corporation's 2008 earnings before taxes by approximately \$4.6 million. Nonetheless, the Corporation does not anticipate an interest rate increase in the short-term that might have a negative effect on its operating results, financial position or cash flow.

Currency Fluctuations. In the normal course of business, the Corporation is subject to fluctuations in the value of the US dollar. The Corporation manages this risk through the use of foreign exchange forward contracts. Please refer to the Financial Instruments section for more details on the currency fluctuation.

The Corporation estimates its annual net US denominated cash flow at approximately \$132 million (before forward exchange contracts) at December 31, 2008. A change of 1 cent in the exchange rate would impact the Corporation's earnings before taxes by approximately \$1.32 million on an annual basis (before forward exchange contracts).

Price of Fuel. The Corporation is at risk with respect to variations in the price of fuel. The Corporation is generally able to recover the majority of added fuel costs through surcharges to its customers. The cost of fuel ranges from 4% to 28% of revenue, depending on the operating segment.

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. The Corporation may become liable with respect to risks in respect of which it cannot obtain insurance or for which it chooses not to obtain insurance as a result of high premiums or for other reasons, 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 five which have expired on August 31, 2008, October 13, 2008, November 2, 2008, November 30, 2008 and December 31, 2008 that are still under negotiations. The renewed collective agreements have a variety of expiration dates, ranging from April 24, 2009 to August 9, 2013. 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.

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 and other legal action relating to compliance with environmental laws and regulations, and to civil claims from parties alleging harm as a consequence of migrating contamination, odours, 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 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 and local laws and regulations and if it cannot identify other parties whom 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 this 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 agreement impose covenants and obligations on the Corporation. 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 restricted from

paying dividends to the shareholders and the lenders realizing on their security and causing the Corporation to lose some or all of its investment.

Credit Facilities. The Corporation's credit facilities and financing agreement mature on various dates. There can be no assurance that such credit facilities or financing agreement 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.

Availability of Capital. The amount of cash available for dividend to shareholders 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 agreement. The Corporation may be required to reduce dividends or sell 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.

DISTRIBUTIONS / DIVIDENDS

Distributions

Prior to the conversion of TransForce Income Fund into the Corporation, the Fund paid monthly cash distributions to unitholders of record on the last business day of each month on the 15th day of the following month. During the last five fiscal years, the distributions paid by TransForce Income Fund were as follows:

April 2004

On April 21, 2004, the Fund announced that its regular monthly cash distributions would increase from \$0.095 to \$0.0975 per Trust Unit, representing an increase on an annual basis from \$1.14 to \$1.17 per Trust Unit. The increase came into effect on June 15, 2004 for unitholders of record on May 31, 2004.

October 2004

On October 15, 2004, the Fund announced that its regular monthly cash distributions would again increase, from \$0.0975 to \$0.10 per Trust Unit, representing an increase on an annual basis from \$1.17 to \$1.20 per Trust Unit. The increase came into effect on November 15, 2004 for unitholders of record on October 29, 2004.

December 2004

On December 14, 2004, the Fund announced that its regular monthly cash distributions would again increase, from \$0.10 to \$0.1025 per Trust Unit, representing an increase on an annual basis from \$1.20 to \$1.23 per Trust Unit. The increase came into effect on January 14, 2005 for unitholders of record on December 31, 2004.

April 2005

On April 19, 2005, the Fund announced that its regular monthly cash distributions would again increase, from \$0.1025 to \$0.10625 per Trust Unit, representing an increase on an annual basis from \$1.23 to \$1.275 per Trust Unit. The increase came into effect on May 13, 2005 for unitholders of record on April 29, 2005.

July 2005

On July 19, 2005, the Fund announced that its regular monthly cash distributions would again increase, from \$0.10625 to \$0.11 per Trust Unit, representing an increase on an annual basis from \$1.275 to \$1.32 per Trust Unit. The increase came into effect on August 15, 2005 for unitholders of record on July 29, 2005.

November 2005

On November 30, 2005, the Fund announced that its regular monthly cash distributions would once again increase, from \$0.11 to \$0.1175 per Trust Unit, representing an increase on an annual basis from \$1.32 to \$1.41 per Trust Unit. The increase will come into effect on February 15, 2006 for unitholders of record on January 31, 2006.

February 2006

On February 10, 2006, the Fund announced that its regular monthly cash distributions would again increase, from \$0.1175 to \$0.125 per Trust Unit, representing an increase on an annual basis from \$1.41 to \$1.50 per Trust Unit. The increase came into effect on March 15, 2006 for unitholders of record on February 28, 2006.

April 2006

On April 26, 2006, the Fund announced that its regular monthly cash distributions would again increase, from \$0.125 to \$0.1275 per Trust Unit, representing an increase on an annual basis from \$1.50 to \$1.53 per Trust Unit. The increase came into effect on June 15, 2006 for unitholders of record on May 31, 2006.

February 2007

On February 26, 2007, the Fund announced that its regular monthly cash distributions would again increase, from \$0.1275 to \$0.1325 per Trust Unit, representing an increase on an annual basis from \$1.53 to \$1.59 per Trust Unit. The increase will come into effect on April 15, 2007 for unitholders of record on March 31, 2007.

The Fund also declared four special distributions and a final distribution as follows:

Special Distributions

On December 14, 2004, the Fund announced the declaration of a special distribution of \$0.055 per Trust Unit. The special distribution was paid on January 14, 2005 to unitholders of record on December 31, 2004.

On September 2, 2005, the Fund announced the declaration of a special distribution in the amount of \$0.56 per Trust Unit, following the sale by the Fund of its customs brokerage subsidiary M&C International Trade.

The special distribution was paid on October 14, 2005 to unitholders of record on September 30, 2005 through the issuance of additional Trust Units at a price of \$17.276 per Trust Unit, representing the average closing price of the Trust Units on the TSX for the five trading days immediately prior to September 2, 2005. As a result, the Fund issued a total of 1,966,314 units.

On November 30, 2005, the Fund announced the declaration of a special distribution of \$0.09 per Trust Unit. The special distribution was paid on January 13, 2006 to unitholders of record on December 30, 2005.

On October 20, 2006, the Fund announced the declaration of a special distribution in the amount of \$0.2627 per Trust Unit following the sale by the Fund of the hazardous waste and industrial cleaning operations of its waste management subsidiary Services Matrec Inc. The special distribution was paid on November 15, 2006 to unitholders of record on October 31, 2006 through the issuance of 0.0155 additional units at a price of \$13.248 per Trust Unit, representing the average closing price of the Trust Units on the TSX for the five trading days immediately prior to November 15, 2006. As a result, the Fund issued a total of 1,114,592 Trust Units.

Final Distribution

On May 5, 2008, the Fund announced that its final prorated distribution to its unitholders would be of \$0.06625 per Trust Unit. The final distribution was paid on June 13, 2008 of unitholders of record on May 15, 2008.

Dividends

When it converted back to a corporation in May 2008, the Corporation adopted a dividend policy which provides for the payment of a quarterly dividend payable on the 15th day following the end of each quarter to shareholders of record as of the last trading day of such quarter. For its fiscal year 2008, the Corporation declared two regular dividends of \$0.10 per common share for each of the third and fourth quarters and one interim dividend of \$0.05 per share. The interim dividend was paid on August 15, 2008 to shareholders of record on August 7, 2008. The amount of this interim dividend was half of the regular quarterly dividend reflecting the timing of the conversion of the Fund to a corporation in the middle of the second quarter of 2008.

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

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and preferred shares, issuable in series. At December 31, 2008, there were 86,790,097 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.

MARKET FOR SECURITIES

The Common Shares are listed on the Toronto Stock Exchange under the symbol TFI. 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 volume traded on a monthly basis during the fiscal year ended December 31, 2008 for the Common Shares.

<u>Month and Year</u>		<u>High</u>		<u>Low</u>	<u>Volume</u>
January 2008	\$	9.520	\$	7.650	178,354
February 2008		9.450		7.290	201,675
March 2008		8.110		6.090	410,626
April 2008		8.640		7.440	171,564
May 2008		8.470		6.970	204,710
June 2008		8.390		6.440	234,519
July 2008		8.400		6.500	177,546
August 2008		9.150		7.690	218,985
September 2008		8.730		5.550	233,717
October 2008		6.540		4.300	219,181
November 2008		5.410		4.230	192,530
December 2008		5.100		3.400	200,650

DIRECTORS AND OFFICERS

Following the conversion of the Fund into the Corporation in May 2008, the trustees of TFI Operating Trust, a wholly owned subsidiary of the Fund, became the directors of the Corporation. At present, eight individuals serve as directors of the Corporation and perform generally the same role as that performed by the board of trustees of TFI Operating Trust.

The following table sets out the name, city, province and country of residence, position held with the Corporation and principal occupation of each person who is either a director or officer of the Corporation as of the date hereof and, if a director, the year in which the person became a director. Each of the directors has been elected to serve until the next annual meeting of shareholders of the Corporation.

<u>Name, City, Province 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, C.A., C.M.A. ⁽⁵⁾ , Calgary, Alberta, Canada	Chairman of the Board of Directors and Director	Chairman of the Board of Directors, President and Chief Executive Officer of the Corporation	—	1993
André Bérard ⁽¹⁾⁽³⁾ Montreal, Quebec, Canada	Lead Director	Corporate Director	—	2003
Lucien Bouchard ⁽³⁾ Montreal, Quebec, Canada	Director	Partner, Davies Ward Phillips and Vineberg LLP (law firm)	—	2007
Richard Guay ⁽¹⁾⁽²⁾ Montreal, Quebec, Canada	Chairman of the Audit Committee and Director	Corporate Director	Prior to his retirement in 2003: Executive Vice President with the Banque Laurentienne of Canada and related senior positions with the Banque Laurentienne of Canada	2004
Ronald D. Rogers ⁽¹⁾⁽³⁾⁽⁶⁾ Calgary, Alberta, Canada	Director	Corporate Director	—	2006
Joey Saputo ⁽²⁾⁽⁸⁾ Montreal, Quebec, Canada	Director	President Gestion Soplajoey Inc. (holding company)	Prior to 2006: different senior positions at Saputo Inc. (a dairy foods manufacturing company)	1996

<u>Name, City, Province 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>
Emanuele (Lino) Saputo ⁽⁷⁾ Senneville, Quebec, Canada	Director	Chairman of the Board Saputo Inc. (a dairy foods manufacturing company)	—	2008
H. John Stollery, ENG. ⁽²⁾ Mississauga, Ontario, Canada	Director	Chairman of the Board Process Capital Corporation	—	2000
Johanne Dean Verdun, Quebec, Canada	Vice President, Marketing and Communication	—	Prior to 2003: Vice-President, Sales & Marketing of Cabano-Kingsway Transport Inc., a subsidiary of the Corporation	—
Sylvain Desaulniers, CIRC Montreal, Quebec, Canada	Vice President, Human Resources	—	Prior to 2004: Director, Human Resources of the Corporation	—
Josiane-M. Langlois, LL.M. Beaconsfield, Quebec, Canada	Vice President, Legal Affairs & Corporate Secretary	—	Prior to 2005: Legal Advisor & Corporate Secretary of the Corporation	—
Chantal Martel, LL.B. Vaudreuil-Dorion, Quebec Canada	Vice President, Insurance & Compliance	—	Prior to 2006: Director of Compliance of the Corporation	—
Richard Potvin, C.A. Pierrefonds, Quebec, Canada	Vice President, Finance	—	Prior to 2004: Corporate Controller of the Corporation	—
Salvatore Vitale, C.A. Kirkland, Quebec, Canada	Chief Financial Officer	—	—	—

(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) Prior to May, 2008, the directors in place were acting as trustees of TFI Operating Trust.

(5) Until May 2006 Alain Bédard was a director of Arbec Forest Products Inc. (formerly Uniforêt Inc.), which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in April 2001. In May 2003, the company entered into a plan of arrangement with its creditors, and completed the implementation of this plan in February 2004.

(6) Ronald D. Rogers was a director of GT Group Telecom Inc. ("GT"), sitting on the Board of Directors as a representative of Shaw Communications Inc. In early June 2002, Mr. Rogers resigned as a director of GT. GT filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in late June 2002.

(7) Until July 2006, Emanuele (Lino) Saputo was a director of Arbec Forest Products Inc. (formerly Uniforêt Inc.), which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in April 2001. In May 2003, the company entered into a plan of arrangement with its creditors, and completed the implementation of this plan in February 2004.

(8) 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.

As at March 14, 2008, the directors or officers of the Corporation, as a group, beneficially owned, directly or indirectly, or otherwise controlled, an aggregate of approximately 19,764,491 Common Shares, representing 22.8% of the issued shares of the Corporation.

Except as set out in the notes to the table in this section entitled "Directors and Officers", to the knowledge of the Corporation, none of the foregoing directors of the Corporation and executive officers 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 proposed director 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 the proposed director 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 assets.

To the knowledge of the Corporation, none of the foregoing directors of the Corporation and executive officers 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 has an existing or potential conflict of interest with the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

Audit Committee Charter

The text of 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 André Bérard. Each member of the Committee is independent and financially literate within the meaning of Regulation 52-110.

Relevant Education and Experience

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.

Richard Guay, prior to his retirement in August 2003, held a number of senior positions with the Banque Laurentienne, including Executive Vice-President.

André Bérard is a corporate director of several companies and prior to 2004 was Chairman of the Board of the National Bank of Canada.

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

Pre-approval Policies and Procedures for 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 represents all fees paid by the Corporation to its external auditor, KPMG LLP, Chartered Accountants for the years ended December 31, 2008 and 2007:

	Year ended December 31,	
	2008	2007
Audit Fees.....	\$ 500,000	\$ 485,000
Audit-Related Fees ⁽¹⁾	93,075	41,000
Tax Fees ⁽²⁾	182,220	30,000
All Other Fees.....	-	-
TOTAL	\$ 775,295	\$ 556,000

- (1) Audit-related fees were billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's annual financial statements and are not reported as part of audit fees (including review of interim financial statements).
- (2) Tax fees were billed for professional services rendered for tax compliance, tax advice and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management 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, 2008, 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 with 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 direct or indirect beneficial owner of, or who exercises control or direction over, 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 AGENTS AND REGISTRAR

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

MATERIAL CONTRACTS

The only material contracts, other than a contract entered into in the ordinary course of business, that are material to the Corporation and that were entered into during its last fiscal year are:

- a) On May 14, 2008, the Corporation entered into a Plan of Arrangement, thereby completing the conversion of the Fund into the Corporation. Reference is made to the management proxy circular of the Fund and TFI Holdings Inc. dated April 7, 2008 prepared in connection with the annual and special meeting of unitholders of the Fund and special meeting of shareholders of TFI Holdings Inc., both held on May 12, 2008. The management proxy circular is available on SEDAR at www.sedar.com under the Fund's "Company Profile".
- b) On May 26, 2008, the Corporation concluded a \$100-million loan agreement with Solidarity Fund QFL. The loan is in the form of an unsecured debenture of TFI Holdings Limited Partnership, an indirect wholly-owned subsidiary of the Corporation, and is repayable on October 30, 2013. The debenture may be repaid, without penalty, commencing one year after the date of disbursement of the loan, subject to the approval of the Corporation's syndicate of bank lenders. The loan bears interest at an annual rate of 9%, payable monthly.

NAME AND INTERESTS OF EXPERTS

KPMG LLP are the auditors who prepared the Auditors' Report with respect of the Corporation's Consolidated Financial Statements for the year ended December 31, 2008. KPMG LLP has confirmed to the Corporation that it is independent in accordance with the Code of Ethics of l'*Ordre des Comptables Agréés du Québec*.

ADDITIONAL INFORMATION

Additional information, including director's 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 the shareholders to be held on April 24, 2009.

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, 2008.

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 Amended and restated October 2008

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 financial 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 financial 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.

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 ten per cent (10%) of the total amount of audit fees paid by the Corporation to the Corporation's external auditor during the fiscal year satisfies such non-audit are deemed to be pre-approved by the committee 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.

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.