ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

March 28, 2019

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS 3

ORGANIZATIONAL STRUCTURE 4

GENERAL DEVELOPMENT OF THE BUSINESS 6

- STRATEGIC ACQUISITIONS & DISPOSITIONS 8

DESCRIPTION OF THE BUSINESS 9

- TRENDS 9
- EQUIPMENT 9
- LICENSES 9
- MARKETS AND DISTRIBUTION 9
- SEASONALITY OF OPERATIONS 10
- REVENUES (IN PERCENTAGES) 10
- COMPETITION 10
- HUMAN RESOURCES 10
- ENVIRONMENTAL MATTERS 11
- TRADEMARKS 11

RISK FACTORS 12

DIVIDENDS 26

DESCRIPTION OF CAPITAL STRUCTURE 26

- COMMON SHARES 26
- PREFERRED SHARES 26

MARKET FOR SECURITIES 27

DIRECTORS AND OFFICERS 27

- CONFLICTS OF INTEREST 31

AUDIT COMMITTEE 32

LEGAL PROCEEDINGS AND REGULATORY ACTIONS 33

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 33

TRANSFER AGENT AND REGISTRAR 33

MATERIAL CONTRACTS 34

NAME AND INTERESTS OF EXPERTS 34

ADDITIONAL INFORMATION 34

FORWARD-LOOKING STATEMENTS

TFI International 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 the date as of which they are made. The following important factors could cause the Corporation's actual financial performance to differ materially from that expressed in any forward-looking statement:

- Competition
- Regulation
- International Operations
- Operating Environment
- General Economic, Credit, Business and Regulatory Conditions
- Interest Rate Fluctuations
- Currency Fluctuations
- Price and Availability of Fuel
- Insurance
- Employee Relations
- Drivers
- Acquisition and Integration Risks
- Environmental Matters
- Environmental Contamination
- Key Personnel
- Dependence on Third Parties
- Loan Default
- Credit Facilities
- Customers and Credit Risks
- Availability of Capital
- Information Systems
- Litigation

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

The Corporation was formerly known as TransForce Inc. On December 23, 2016, the Corporation amended its Articles so as to change its corporate name to TFI International Inc.

In this annual information form, the terms "Corporation" and "TFI International" mean TFI International Inc., a corporation incorporated pursuant to the *Canada Business Corporations Act*, its subsidiaries and, as the case may be, its predecessors.

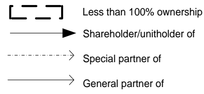
The Corporation was incorporated on March 28, 2008 for the purpose of acquiring all of the issued and outstanding units of TransForce Income Fund (the "Fund") and "tracking share units" of TFI Holdings Inc. (now known as TForce Holdings Inc.), an indirect subsidiary of the Fund, pursuant to a plan of arrangement under which the Fund was converted into the Corporation. The Corporation, through its subsidiaries, now operates the transportation business formerly operated under the Fund, and the former unitholders of the Fund continue to own, to the extent they remained shareholders of the Corporation, an economic interest in the business formerly operated by the Fund.

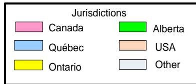
The Fund resulted from the conversion on September 30, 2002 of TransForce Inc. ("TransForce"), a corporation incorporated on April 30, 1985 pursuant to the *Companies Act* (Québec), into an income trust. Immediately following the conversion, the Fund, through its subsidiaries, continued to operate the transportation business of TransForce, and the former shareholders of TransForce continued to own, to the extent they remained unitholders of the Fund, an economic interest in the business of TransForce.

TransForce 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 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 February 15, 2019 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.





Shareholders

TFI International Inc.

TForce Holdings Inc.

Westfreight Systems Inc.
McMurray Serv-U Expediting Ltd.
La Crete Transport 79 Ltd.
TransForce Capital Insurance Company Limited (Barbades)
Happy Valley Logistics Inc. (NL/Labrador)
613734 Saskatchewan Ltd. (Saskatchewan)

175638 Canada Inc.
Information Communication Services (ICS) Inc.
Clarke Transport Inc.
TForce Direct Canada Inc.
Clarke Road Transport Inc.
Clarke North America Inc.
Canpar Express Inc.

4186397 Canada Inc.
Transport SAF (1994) Inc.
Trans2D Logistics Inc.
CK Logistics GP Inc.
CK Logistics HP L.P. (NL/Labrador) 49%
Patriot Freight Services Inc.
177928 Canada Inc.
A. Beaumont Transport Inc.

Centre de Mécanique Henri-Bourassa Inc.
Transport Kobelt Inc.
Logikit Inc.
Transport Couture & Fils Ltée
Camionnage G.H.L. Inc.
Les Transports Michel Charbonneau Inc.
9327-0197 Québec Inc.
Les Entreprises Dupont 1972 Inc
Normandin Transit Inc.
Brasseur Transport Inc.

Vitran Express Canada Inc.
Southern Express Lines of Ontario Limited
AC Final Mile Inc.
Gorski Bulk Transport Inc.
Cavalier Transportation Services Inc.
Concord Transportation Inc.
1533074 Ontario Inc.
Dyer Road Leasing Ltd.
Double-D Transport Inc.
1040135 Ontario Inc.
Quik X Transportation Inc.

TST Expedited Services Inc. (DE)

TForce TL Holdings USA, Inc. (DE)
Cavalier Transportation Services Corp. (NY)
Gorski Bulk Transport USA, Inc. (MI)
Transportation Resources, Inc. (MO)
Contract Freighters, Inc. (MO)
CFI Truckload de Mexico, S.A. de C.V. (MX)
CFI Logistica, S.A. de C.V. (MX)
CFI Logistics, LLC (MO)
CFI Mex, S. de R.L. de C.V. (MX)
Soluciones Internacionales de Transporte, S.A. DE C.V. (MX) (49.9%)
Transport Corporation of America, Inc. (MN)
Optimal Freight, LLC (IL)

TForce Holdings USA, Inc. (DE)
TForce Direct, Inc. (DE)
Premier Product Management, Inc. (CA)
Quik X Transportation (US) Inc. (IL)
E.L. Farmer & Company (TX)
Westfreight Holdings (U.S.A.) Inc. (NV)
TF Courier, Inc. (DE)
TF Dedicated, LLC (DE)
TForce Logistics, LLC (DE)
TForce Final Mile West, LLC (DE)
TForce Final Mile, LLC (DE)
TForce Final Mile Canada Inc. (Nova Scotia)

11009915 Canada Inc.
Alpenrosen Investissements SARL (Luxembourg)

Contrans Corp.
Contrans Realty Holdings Inc.
Laidlaw Carriers Bulk GP Inc.
Contrans Flatbed Group GP Inc.
Cornerstone Logistics USA GP Inc. (DE)
Contrans Tank Group GP Inc.
Cornerstone Logistics GP Inc.
Tripar Transportation USA GP Inc. (DE)
Laidlaw Carriers Van GP Inc.
Tri-Line Carriers GP Inc.
Tripar Transportation GP Inc.
Cornerstone Logistics USA LP (NY)
Contrans Tank Group LP
Tripar Transportation USA LP (NJ)
Laidlaw Carriers Van LP
Tri-Line Carriers LP
Tripar Transportation LP

TransForce Administration Inc.
6586856 Canada Inc.
6422217 Canada Inc.
6291856 Canada Inc.
TFI Transport 22 L.P.
TFI Transport 17 L.P.
TFI Transport 3 L.P.
TFI Transport 1 L.P.
TFI Transport 2 L.P.
TFI Transport 4 L.P.
TFI Transport 6 L.P.
TFI Transport 11 L.P.
TFI Transport 12 L.P.
TFI Transport 14 L.P.
TFI Transport 15 L.P.
TFI Transport 16 L.P.
TFI Transport 19 L.P.
TFI Transport 21 L.P.
TFI Transport 23 L.P.
Papineau Int L.P.
TST Solutions L.P.

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation, through its wholly-owned subsidiaries, operates a transportation business whose 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 then-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. 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 the Corporation 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 into 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, served 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 grew. The Corporation's expansion into 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. (now known as TForce Final Mile), adding same-day delivery service to existing customers. Furthermore, the combination of the Corporation's existing operations and TForce Final Mile constituted a powerful offering to potential new clients. More importantly, incorporating TForce Final Mile's services opened doors for the Corporation 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 the Corporation, 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 2014 and Vitran Corporation Inc. in March 2014, further enhanced the Corporation's 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 provided the Corporation with a new presence in the United States TL market.

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

During 2015, the Corporation ceased its rig-moving activities in the United States.

In February 2016, after 11 years of operations, the Corporation disposed of its Waste Management segment, acquired in 2005.

In October 2016, through the acquisition of Transportation Resources Inc. and its subsidiaries, the Corporation acquired the North American TL operations of XPO Logistics Inc. (now known as CFI), one of the largest service providers of cross-border trucking into Mexico. This acquisition significantly strengthened the Corporation's presence in the North American TL landscape with prominent market positions in domestic U.S. and cross-border Mexico freight.

During 2018, Leslie Abi-Karam and Diane Giard were appointed to the Board of Directors of the Corporation and Scott C. Arves retired from the Board.

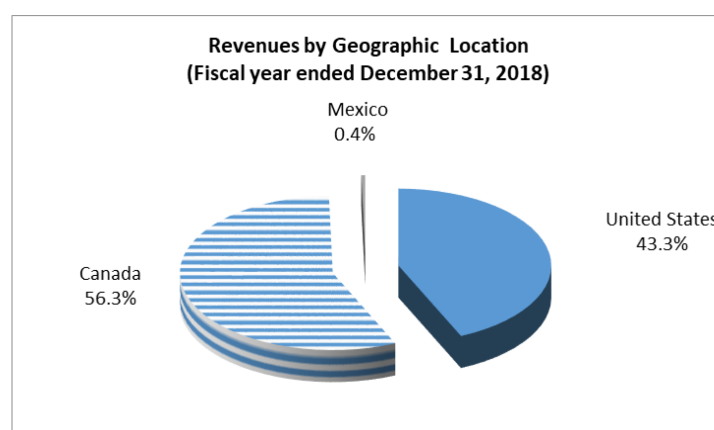
In November 2018, the Corporation announced that David Saperstein, Vice President, Mergers & Acquisitions of the Corporation, would be promoted to Chief Financial Officer of the Corporation effective January 1, 2019, following the retirement of Gregory W. Rumble as Chief Financial Officer.

Since 1998, the Corporation has acquired more than 180 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 teams. The Corporation continues to carry out this strategy.

As a result of the implementation of its strategic plan, the Corporation is today a leading player in the North American transportation and logistics industry, with total revenue of more than CAN$5.1 billion for the fiscal year ended December 31, 2018. The Corporation has a solid financial position with customers covering a broad cross-section of industries. It has 17,127 employees who work in TFI International's different business segments across North America. 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 20 years after the strategic plan was implemented, the Corporation now operates the following reportable segments: (i) Package and Courier; (ii) LTL; (iii) TL; and (iv) Logistics and Last Mile.

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, 2018:



Strategic Acquisitions & Dispositions

Acquisitions

During the fiscal year ended December 31, 2018, no significant acquisitions were made by the Corporation. The non-significant acquisitions include the following:

Name	Date	Operating Segment
Normandin Transit Inc.	April 3	Less-than-truckload
Brasseur Transport Inc.	May 1	Specialized truckload
613734 Saskatchewan Ltd. (Timeline Logistics)	July 1	Specialized truckload
Gorski Bulk Transport Inc.	October 1	Specialized truckload
Double-D Transport Inc.	November 1	Specialized truckload
Groupe SAF	November 21	Specialized truckload
A. Beaumont Transport	December 1	Specialized truckload
Hughson	December 4	Specialized truckload
Cole Carriers	December 14	Specialized truckload

Subsequent to year end, no significant acquisitions were made by the Corporation.

DESCRIPTION OF THE BUSINESS

The Corporation is a leading player in the 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, the United States and Mexico. The Corporation offers efficient, global solutions to its clientele in the following reportable segments: (i) Package and Courier; (ii) LTL; (iii) TL; and (iv) Logistics and Last Mile. 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 Logistics and Last Mile segment provides a wide range of logistics services.

Trends

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

Equipment

The Corporation has, to its knowledge, the largest trucking fleet in Canada and a significant presence in the U.S. market. As at December 31, 2018, the Corporation had 7,465 power units, 26,487 trailers and 8,527 independent contractors. This compares to 7,058 power units, 24,617 trailers and 9,074 independent contractors as at December 31, 2017.

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, the United States and Mexico, as applicable.

Markets and Distribution

The Corporation has a diverse 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 effect 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, 2018 and 2017, the Corporation's revenues by reportable segment were as follows:

	Fiscal year ended December 31,	
	2018	**2017**
Package and Courier	14%	14%
Less-Than-Truckload	21%	20%
Truckload	46%	45%
Logistics and Last Mile	19%	21%

Competition

The transportation and logistics 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 and Logistics. 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, UPS and Fedex; in the LTL sector, Day & Ross Inc. and Manitoulin Transport Inc.; in the TL sector, Trimac Transportation, Challenger Motor Freight, SGT (2000), Charger Logistics, Caravan Logistic, Everest Transportation and Bison Transport (in Canada) and Knight Transportation, Werner Enterprise and Schneider National (in the United States); and in the Logistics and Last Mile sector C.H. Robinson, Nationex and Dicom.

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 has 17,127 employees who work in TFI International's different business segments across North America. This compares to 17,044 employees as at December 31, 2017. The Corporation considers that it has a relatively low turnover rate (except in U.S. TL) 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 together reduce the consumption of energy and therefore, 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 and 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 2018, the environmental management by the Corporation did not require significant expenditures to ensure compliance of its ongoing operations or for material remediation of any environmental matter. The Corporation does not expect that environmental protection requirements will have a material effect on its capital expenditures, profit or loss or competitive position during the 2019 fiscal year.

Trademarks

The Corporation had a total of 124 applied-for or registered trademarks in Canada, the United States and Mexico as at December 31, 2018, of which 96 are for use in Canada, 25 are for use in the United States and 3 are for use in Mexico. Of the foregoing trademarks, the most important are: (i) "TFI International", "TransForce" and "a TransForce Company" in Canada and "a TFI International Company" in Canada and the United States; (ii) "Kingsway" in Canada; (iii) "TST" family of trademarks in Canada; (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) "TForce" family of trademarks in Canada and the United States; (viii) "Loomis Express" in Canada; (ix) "TF Dedicated" in the United States; (x) "Vitran" family of trademarks in Canada and the United States, including "Vitran Express"; (xi) "Contrans" in Canada; (xii) "Canadian Freightways" family of trademarks in Canada; (xiii) "Transport Corporation of America"; and (xvi) "CFI" in Canada, the United States and Mexico. 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 Corporation's future results may be affected by a number of factors over some of which the Corporation has little or no control. The following discussion of risk factors contains forward-looking statements. The following issues, uncertainties and risks, among others, should be considered in evaluating the Corporation's business and growth outlook.

Competition. The Corporation operates in a highly-competitive and fragmented industry, and numerous competitive factors could impair the Corporation's ability to maintain or improve its profitability and could have a material adverse effect on the Corporation's results of operations. In addition, the Corporation faces growing competition from other transporters in Canada, the United States and Mexico. These factors, including the following, could impair the Corporation's ability to maintain or improve its profitability and could have a material adverse effect on the Corporation's results of operations:

- the Corporation competes with many other transportation companies of varying sizes, including Canadian, U.S. and Mexican transportation companies;
- the Corporation's competitors may periodically reduce their freight rates to gain business, which may limit the Corporation's ability to maintain or increase freight rates or maintain growth in the Corporation's business;
- some of the Corporation's customers are other transportation companies or companies that also operate their own private trucking fleets, and they may decide to transport more of their own freight or bundle transportation with other services;
- some of the Corporation's customers may reduce the number of carriers they use by selecting so-called "core carriers" as approved service providers or by engaging dedicated providers, and in some instances the Corporation may not be selected;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some of the Corporation's business to competitors;
- the market for qualified drivers is highly competitive, particularly in the Corporation's growing U.S. operations, and the Corporation's inability to attract and retain drivers could reduce its equipment utilization and cause the Corporation to increase compensation, both of which would adversely affect the Corporation's profitability;
- economies of scale that may be passed on to smaller carriers by procurement aggregation providers may improve their ability to compete with the Corporation;
- some of the Corporation's smaller competitors may not yet be fully compliant with recently-enacted regulations, such as regulations requiring the use of electronic logging devices in the United States, which may allow such competitors to take advantage of additional driver productivity;
- advances in technology, such as advanced safety systems, automated package sorting, handling and delivery, vehicle platooning, alternative fuel vehicles and digitization of freight services, may require the Corporation to increase investments in order to remain competitive, and the Corporation's customers may not be willing to accept higher freight rates to cover the cost of these investments;
- the Corporation's competitors may have better safety records than the Corporation or a perception of better safety records, which could impair the Corporation's ability to compete;
- some high-volume package shippers, such as Amazon.com, are developing and implementing in-house delivery capabilities and utilizing independent contractors for deliveries, which could in turn reduce the Corporation's revenues and market share;
- competition from freight brokerage companies may materially adversely affect the Corporation's customer relationships and freight rates; and
- higher fuel prices and, in turn, higher fuel surcharges to the Corporation's customers may cause some of the Corporation's customers to consider freight transportation alternatives, including rail transportation.

Regulation. The Corporation operates in a highly-regulated industry, and changes in existing regulations or violations of existing or future regulations could have a material adverse effect on the Corporation's operations and profitability.

In Canada, 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 U.S. and Mexican regulatory authorities is also required for the transportation of goods in the United States, in Mexico and between Canada, the United States and Mexico. Any change in or violation of existing or future regulations could have an adverse impact on the scope of the Corporation's activities. Future laws and regulations may be more stringent, require changes in the Corporation's operating practices, influence the demand for transportation services or require the Corporation to incur significant additional costs. Higher costs incurred by the Corporation, or by the Corporation's suppliers who pass the costs onto the Corporation through higher supplies and materials pricing, could adversely affect the Corporation's results of operations.

The Corporation is increasing its operations in the United States, where the transportation industry is subject to regulation from various federal, state and local agencies, including the Department of Transportation ("**DOT**") (in part through the Federal Motor Carrier Safety Administration ("**FMCSA**")), the Environmental Protection Agency and the Department of Homeland Security. Drivers must comply with safety and fitness regulations, including those relating to drug and alcohol testing, driver safety performance and hours of service, and matters such as equipment weight and dimensions, exhaust emissions and fuel efficiency are also subject to government regulation. The Corporation also may become subject to new or more restrictive regulations relating to fuel efficiency, exhaust emissions, hours of service, drug and alcohol testing, ergonomics, on-board reporting of operations, collective bargaining, security at ports, speed limitations, driver training and other matters affecting safety or operating methods.

In the United States, under the FMCSA's Compliance, Safety, Accountability ("**CSA**") program, fleets are evaluated and ranked against their peers based on certain safety-related standards. As a result, the Corporation's fleet could be ranked poorly as compared to peer carriers. The Corporation recruits first-time drivers to be part of its fleet, and these drivers may have a higher likelihood of creating adverse safety events under CSA. The occurrence of future deficiencies could affect driver recruitment in the United States by causing high-quality drivers to seek employment with other carriers or limit the pool of available drivers or could cause the Corporation's customers to direct their business away from the Corporation and to carriers with higher fleet safety rankings, either of which would materially adversely affect the Corporation's business, financial condition and results of operations. In addition, future deficiencies could increase the Corporation's insurance expenses. Additionally, competition for drivers with favourable safety backgrounds may increase, which could necessitate increases in driver-related compensation costs. Further, the Corporation may incur greater than expected expenses in its attempts to improve unfavourable scores.

Based on the ratings of the Corporation's U.S. subsidiaries in a number of the seven CSA safety-related categories, the Corporation may be prioritized for roadside inspection, which could have an adverse effect on the Corporation's business, financial condition and results of operations.

In December 2015, the U.S. Congress passed a new highway funding bill called *Fixing America's Surface Transportation Act* (the "**FAST Act**"), which calls for significant CSA reform. The FAST Act directs the FMCSA to conduct studies of the scoring system used to generate CSA rankings to determine if it is effective in identifying high-risk carriers and predicting future crash risk. This study was conducted and delivered to the FMCSA in June 2017 with several recommendations to make the CSA program more fair, accurate and reliable. In June 2018, the FMCSA provided a report to the U.S. Congress outlining the changes it may make to the CSA program in response to the study. Such changes include the testing and possible adoption of a revised risk modeling theory, potential collection and dissemination of additional carrier data and revised measures for intervention thresholds. The adoption of such changes is contingent on the results of the new modeling theory and additional public feedback. Thus, it is unclear if,

when and to what extent such changes to the CSA program will occur. However, any changes that increase the likelihood of the Corporation receiving unfavourable scores could materially adversely affect the Corporation's results of operations and profitability.

In December 2016, the FMCSA issued a final rule establishing a national clearinghouse for drug and alcohol testing results and requiring motor carriers and medical review officers to provide records of violations by commercial drivers of FMCSA drug and alcohol testing requirements. Motor carriers in the United States will be required to query the clearinghouse to ensure drivers and driver applicants do not have violations of federal drug and alcohol testing regulations that prohibit them from operating commercial motor vehicles. The compliance date for this rule is early 2020. In addition, other rules have been recently proposed or made final by the FMCSA, including (i) a rule requiring the use of speed-limiting devices on heavy-duty tractors to restrict maximum speeds, which was proposed in 2016 and (ii) a rule setting out minimum driver training standards for new drivers applying for commercial driver's licenses for the first time and to experienced drivers upgrading their licenses or seeking a hazardous materials endorsement, which was made final in December 2016 with a compliance date in February 2020. In July 2017, the DOT announced that it would no longer pursue a speed limiter rule, but left open the possibility that it could resume such a pursuit in the future. The effect of these rules, to the extent they become effective, could result in a decrease in fleet production and/or driver availability, either of which could materially adversely affect the Corporation's business, financial condition and results of operations.

The Corporation currently has a satisfactory DOT rating for each of its U.S. operations, which is the highest available rating under the current safety rating scale. If the Corporation were to receive a conditional or unsatisfactory DOT safety rating, it could materially adversely affect the Corporation's business, financial condition and results of operations as customer contracts may require a satisfactory DOT safety rating, and a conditional or unsatisfactory rating could materially adversely affect or restrict the Corporation's operations.

The FMCSA has proposed regulations that would modify the existing rating system and the safety labels assigned to motor carriers evaluated by the DOT. Under regulations that were proposed in 2016, the methodology for determining a carrier's DOT safety rating would be expanded to include the on-road safety performance of the carrier's drivers and equipment, as well as results obtained from investigations. Exceeding certain thresholds based on such performance or results would cause a carrier to receive an unfit safety rating. The proposed regulations were withdrawn in March 2017, but the FMCSA noted that a similar process may be initiated in the future. If similar regulations were enacted and the Corporation were to receive an unfit or other negative safety rating, the Corporation's business would be materially adversely affected in the same manner as if it received a conditional or unsatisfactory safety rating under the current regulations. In addition, poor safety performance could lead to increased risk of liability, increased insurance, maintenance and equipment costs and potential loss of customers, which could materially adversely affect the Corporation's business, financial condition and results of operations.

The U.S. National Highway Traffic Safety Administration, the Environmental Protection Agency and certain U.S. states, including California, have adopted regulations that are aimed at reducing tractor emissions and/or increasing fuel economy of the equipment the Corporation uses. Certain of these regulations are currently effective, with stricter emission and fuel economy standards becoming effective over the next several years. Other regulations have been proposed in the United States that would similarly increase these standards. The effects of these regulations have been and may continue to be increases in new tractor and trailer prices, additional parts and maintenance costs, impaired productivity and uncertainty as to the reliability of the newly-designed diesel engines and the residual values of the Corporation's equipment. Such effects could materially adversely affect the Corporation's business, financial condition and results of operations. Furthermore, any future regulations that impose restrictions, caps, taxes or other controls on emissions of greenhouse gases could adversely affect the Corporation's operations and financial results.

In March 2014, the U.S. Ninth Circuit Court of Appeals held that the application of California state wage and hour laws to interstate truck drivers is not pre-empted by U.S. federal law. The case was appealed to the U.S. Supreme

Court, which denied *certiorari* in May 2015, and accordingly, the Ninth Circuit Court of Appeals decision stands. Current and future U.S. state and local wage and hour laws, including laws related to employee meal breaks and rest periods, may vary significantly from U.S. federal law. As a result, the Corporation, along with other companies in the industry, is subject to an uneven patchwork of wage and hour laws throughout the United States. There is proposed federal legislation to solidify the pre-emption of state and local wage and hour laws applied to interstate truck drivers; however, passage of such legislation is uncertain. If U.S. federal legislation is not passed, the Corporation will either need to continue complying with the most restrictive state and local laws across its entire fleet in the United States, or revise its management systems to comply with varying state and local laws. Either solution could result in increased compliance and labour costs, driver turnover and decreased efficiency.

Changes in existing regulations and implementation of new regulations, such as those related to trailer size limits, emissions and fuel economy, hours of service, mandating electronic logging devices and drug and alcohol testing in Canada, the United States and Mexico, could increase capacity in the industry or improve the position of certain competitors, either of which could negatively impact pricing and volumes or require additional investments by the Corporation. The short-term and long-term impacts of changes in legislation or regulations are difficult to predict and could materially adversely affect the Corporation's results of operations.

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.

International Operations. A growing portion of the Corporation's revenue is derived from operations in the United States and transportation to and from Mexico. The Corporation's international operations are subject to a variety of risks, including fluctuations in foreign currencies, changes in the economic strength or greater volatility in the economies of foreign countries in which the Corporation does business, difficulties in enforcing contractual rights and intellectual property rights, compliance burdens associated with export and import laws, and social, political and economic instability. The Corporation's international operations could be adversely affected by restrictions on travel. Additional risks associated with the Corporation's international operations include restrictive trade policies, imposition of duties, changes to trade agreements and other treaties, taxes or government royalties by foreign governments, adverse changes in the regulatory environments, including in tax laws and regulations, of the foreign countries in which the Corporation does business, compliance with anti-corruption and anti-bribery laws, restrictions on the withdrawal of foreign investments, the ability to identify and retain qualified local managers and the challenge of managing a culturally and geographically diverse operation. The Corporation cannot guarantee compliance with all applicable laws, and violations could result in substantial fines, sanctions, civil or criminal penalties, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect the Corporation's results of operations.

Recent activity by the Trump Administration has led to the imposition of tariffs on certain imported steel and aluminum. The implementation of these tariffs, as well as the imposition of additional tariffs or quotas or changes to certain trade agreements could, among other things, increase the costs of the materials used by the Corporation's suppliers to produce new revenue equipment or increase the price of fuel. Such cost increases for the Corporation's revenue equipment suppliers would likely be passed on to the Corporation, and to the extent fuel prices increase, the Corporation may not be able to fully recover such increases through rate increases or the Corporation's fuel surcharge program, either of which could have a material adverse effect on the Corporation's business.

In December 2017, the United States enacted comprehensive tax legislation, commonly referred to as the *2017 Tax Cuts and Jobs Act*. The new law requires complex computations not previously required by U.S. tax law. As such, the application of accounting guidance for such items is currently uncertain. Further, compliance with the new law and

the accounting for such provisions require preparation and analysis of information not previously required or regularly produced. In addition, the U.S. Department of Treasury has broad authority to issue regulations and interpretative guidance that may significantly impact how the Corporation will apply the law and impact the Corporation's results of operations in future periods. The timing and scope of such regulations and interpretative guidance are uncertain. In addition, there is a risk that states within the United States or foreign jurisdictions may amend their tax laws in response to these tax reforms, which could have a material adverse effect on the Corporation's results.

In addition, if the Corporation is unable to maintain its Free and Secure Trade ("**FAST**") and U.S. Customs Trade Partnership Against Terrorism ("**C-TPAT**") certification statuses, it may have significant border delays, which could cause its cross-border operations to be less efficient than those of competitor truckload carriers that obtain or continue to maintain FAST and C-TPAT certifications.

Operating Environment and Seasonality. The Corporation is exposed to the following factors, among others, affecting its operating environment:

- the Corporation's future insurance and claims expense, including the cost of its liability insurance premiums and the number and dollar amount of claims, may exceed historical levels, which would require the Corporation to incur additional costs and could reduce the Corporation's earnings;
- a decline in the demand for used revenue equipment could result in decreased equipment sales, lower resale values and lower gains (or recording losses) on sales of assets;
- tractor and trailer vendors may reduce their manufacturing output in response to lower demand for their products in economic downturns or shortages of component parts, which may materially adversely affect the Corporation's ability to purchase a quantity of new revenue equipment that is sufficient to sustain its desired growth rate; and
- increased prices for new revenue equipment, design changes of new engines, reduced equipment efficiency resulting from new engines designed to reduce emissions, or decreased availability of new revenue equipment.

The Corporation's tractor productivity decreases during the winter season because inclement weather impedes operations and some shippers reduce their shipments after the winter holiday season. Revenue may also be adversely affected by inclement weather and holidays, since revenue is directly related to available working days of shippers. At the same time, operating expenses increase and fuel efficiency declines because of engine idling and harsh weather creating higher accident frequency, increased claims and higher equipment repair expenditures. The Corporation also may suffer from weather-related or other unforeseen events such as tornadoes, hurricanes, blizzards, ice storms, floods, fires, earthquakes and explosions. These events may disrupt fuel supplies, increase fuel costs, disrupt freight shipments or routes, affect regional economies, damage or destroy the Corporation's assets or adversely affect the business or financial condition of the Corporation's customers, any of which could materially adversely affect the Corporation's results of operations or make the Corporation's results of operations more volatile.

General Economic, Credit, and Business Conditions. The Corporation's business is subject to general economic, credit, and business factors that are largely beyond the Corporation's control, and which could have a material adverse effect on the Corporation's operating results.

The Corporation's industry is subject to cyclical pressures, and the Corporation's business is dependent on a number of factors that may have a material adverse effect on its results of operations, many of which are beyond the Corporation's control. The Corporation believes that some of the most significant of these factors include (i) excess tractor and trailer capacity in the transportation industry in comparison with shipping demand; (ii) declines in the resale value of used equipment; (iii) strikes, work stoppages or work slowdowns at the Corporation's facilities or at

customer, port, border crossing or other shipping-related facilities; and (iv) increases in interest rates, fuel taxes, tolls and license and registration fees.

The Corporation is also affected by (i) recessionary economic cycles, which tend to be characterized by weak demand and downward pressure on rates; (ii) changes in customers' inventory levels and in the availability of funding for their working capital; (iii) changes in the way in which the Corporation's customers choose to source or utilize the Corporation's services; and (iv) downturns in customers' business cycles, such as retail and manufacturing, where the Corporation has significant customer concentration. Economic conditions may adversely affect customers and their demand for and ability to pay for the Corporation's services. Customers encountering adverse economic conditions represent a greater potential for loss and the Corporation may be required to increase its allowance for doubtful accounts.

Economic conditions that decrease shipping demand and increase the supply of available tractors and trailers can exert downward pressure on rates and equipment utilization, thereby decreasing asset productivity. The risks associated with these factors are heightened when the economy is weakened. Some of the principal risks during such times include:

- the Corporation may experience a reduction in overall freight levels, which may impair the Corporation's asset utilization;
- freight patterns may change as supply chains are redesigned, resulting in an imbalance between the Corporation's capacity and assets and customers' freight demand;
- the Corporation may be forced to accept more loads from freight brokers, where freight rates are typically lower, or may be forced to incur more non-revenue generating miles to obtain loads;
- the Corporation may increase the size of its fleet during periods of high freight demand during which its competitors also increase their capacity, and the Corporation may experience losses in greater amounts than such competitors during subsequent cycles of softened freight demand if the Corporation is required to dispose of assets at a loss to match reduced freight demand;
- customers may solicit bids for freight from multiple trucking companies or select competitors that offer lower rates in an attempt to lower their costs, and the Corporation may be forced to lower its rates or lose freight; and
- lack of access to current sources of credit or lack of lender access to capital, leading to an inability to secure credit financing on satisfactory terms, or at all.

The Corporation is subject to cost increases that are outside the Corporation's control that could materially reduce the Corporation's profitability if it is unable to increase its rates sufficiently. Such cost increases include, but are not limited to, increases in fuel and energy prices, driver and office employee wages, purchased transportation costs, taxes, interest rates, tolls, license and registration fees, insurance premiums and claims, revenue equipment and related maintenance, and tires and other components. Strikes or other work stoppages at the Corporation's service centres or at customer, port, border or other shipping locations, deterioration of Canada, the U.S. and Mexico transportation infrastructure and reduced investment in such infrastructure, or actual or threatened armed conflicts or terrorist attacks, efforts to combat terrorism, military action against a foreign state or group located in a foreign state or heightened security requirements could lead to wear, tear and damage to the Corporation's equipment, driver dissatisfaction, reduced economic demand, reduced availability of credit, increased prices for fuel or temporary closing of the shipping locations or borders between Canada, the United States and Mexico. Further, the Corporation may not be able to appropriately adjust its costs and staffing levels to meet changing market demands. In periods of rapid change, it is more difficult to match the Corporation's staffing level to its business needs.

The Corporation's operations, with the exception of its brokerage operations, are capital intensive and asset heavy. If anticipated demand differs materially from actual usage, the Corporation may have too many or too few assets. During periods of decreased customer demand, the Corporation's asset utilization may suffer, and it may be forced to

sell equipment on the open market or turn in equipment under certain equipment leases in order to right size its fleet. This could cause the Corporation to incur losses on such sales or require payments in connection with equipment the Corporation turns in, particularly during times of a softer used equipment market, either of which could have a material adverse effect on the Corporation's profitability.

Although the Corporation's business volume is not highly concentrated, its customers' financial failures or loss of customer business may materially adversely affect the Corporation. If the Corporation were unable to generate sufficient cash from operations, it would need to seek alternative sources of capital, including financing, to meet its capital requirements. In the event that the Corporation were unable to generate sufficient cash from operations or obtain financing on favourable terms in the future, it may have to limit its fleet size, enter into less favourable financing arrangements or operate its revenue equipment for longer periods, any of which could have a materially adverse effect on its profitability.

Interest Rate Fluctuations. Changes in interest rates may result in fluctuations in the Corporation's future cash flows related to variable-rate financial liabilities. Future cash flows related to variable-rate financial liabilities 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. Significant fluctuations in relative currency values against the Canadian dollar could have a significant impact on the Corporation's future profitability. The Corporation's financial results are reported in Canadian dollars and a growing portion of the Corporation's revenue and operating costs are realized in currencies other than the Canadian dollar, primarily the U.S. dollar. The exchange rates between these currencies and the Canadian dollar have fluctuated in recent years and will likely continue to do so in the future. It is not possible to mitigate all exposure to fluctuations in foreign currency exchange rates. The results of operations are therefore affected by movements of these currencies against the Canadian dollar.

Price and Availability of Fuel. Fuel is one of the Corporation's largest operating expenses. Diesel fuel prices fluctuate greatly due to factors beyond the Corporation's control, such as political events, commodity futures trading, currency fluctuations, natural man-made disasters, terrorist activities and armed conflicts any of which may lead to an increase in the cost of fuel. Fuel prices are also affected by the rising demand for fuel in developing countries and could be materially adversely affected by the use of crude oil and oil reserves for purposes other than fuel production and by diminished drilling activity. Such events may lead not only to increases in fuel prices, but also to fuel shortages and disruptions in the fuel supply chain. Because the Corporation's operations are dependent upon diesel fuel, significant diesel fuel cost increases, shortages or supply disruptions could have a material adverse effect on the Corporation's business, financial condition and results of operations.

While the Corporation has fuel surcharge programs in place with a majority of the Corporation's customers, which historically have helped the Corporation offset the majority of the negative impact of rising fuel prices, the Corporation also incurs fuel costs that cannot be recovered even with respect to customers with which the Corporation maintains fuel surcharge programs, such as those associated with non-revenue generating miles or time when the Corporation's engines are idling. Moreover, the terms of each customer's fuel surcharge program vary from one division to another, and the recoverability for fuel price increases varies as well. In addition, because the Corporation's fuel surcharge recovery lags behind changes in fuel prices, the Corporation's fuel surcharge recovery may not capture the increased costs the Corporation pays for fuel, especially when prices are rising. This could lead to fluctuations in the Corporation's levels of reimbursement, such as has occurred in the past. There can be no assurance that such fuel surcharges can be maintained indefinitely or that they will be fully effective.

Insurance. The Corporation's operations are subject to risks inherent in the transportation sector, including personal injury, property damage, workers' compensation and employment and other issues. The Corporation's future

insurance and claims expenses may exceed historical levels, which could reduce the Corporation's earnings. The Corporation subscribes for insurance in amounts it considers appropriate in the circumstances and having regard to industry norms. Like many 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. Due to the Corporation's significant self-insured amounts, the Corporation has exposure to fluctuations in the number or severity of claims and the risk of being required to accrue or pay additional amounts if the Corporation's estimates are revised or claims ultimately prove to be in excess of the amounts originally assessed. Further, the Corporation's self-insured retention levels could change and result in more volatility than in recent years.

The Corporation holds a fully-fronted policy of $10 million limit per occurrence for automobile bodily injury, property damage and commercial general liability for its Canadian Insurance Program (subject to certain exceptions) and a deductible of $2 million for certain U.S. subsidiaries on their primary $10 million limit policies for automobile bodily injury, property damage and commercial general liability. The Corporation retains deductibles of up to $1 million per occurrence for workers' compensation claims, said deductibles making the Corporation's insurance and claims expense higher or more volatile than if it maintained lower retentions. The Corporation's liability coverage has a total limit of $100 million per occurrence.

Although the Corporation believes its aggregate insurance limits should be sufficient to cover reasonably expected claims, it is possible that the amount of one or more claims could exceed the Corporation's aggregate coverage limits or that the Corporation will chose not to obtain insurance in respect of such claims. If any claim were to exceed the Corporation's coverage, the Corporation would bear the excess, in addition to the Corporation's other self-insured amounts. The Corporation's results of operations and financial condition could be materially and adversely affected if (i) cost per claim, premiums or the number of claims significantly exceeds the Corporation's coverage limits or retention amounts; (ii) the Corporation experiences a claim in excess of its coverage limits; (iii) the Corporation's insurance carriers fail to pay on the Corporation's insurance claims; or (iv) the Corporation experiences a claim for which coverage is not provided, either because the Corporation chose not to obtain insurance as a result of high premiums or because the claim is not covered by insurance which the Corporation has in place.

The Corporation accrues the costs of the uninsured portion of pending claims based on estimates derived from the Corporation's evaluation of the nature and severity of individual claims and an estimate of future claims development based upon historical claims development trends. Actual settlement of the Corporation's retained claim liabilities could differ from its estimates due to a number of uncertainties, including evaluation of severity, legal costs and claims that have been incurred but not reported. Due to the Corporation's high retained amounts, it has significant exposure to fluctuations in the number and severity of claims. If the Corporation were required to accrue or pay additional amounts because its estimates are revised or the claims ultimately prove to be more severe than originally assessed, its financial condition and results of operations may be materially adversely affected.

Employee Relations. The Corporation's unionized employees are all Canadian employees, and the Corporation does not currently have union contracts in place with respect to any of the Corporation's U.S. operations. Although the Corporation believes that its relations with its employees are satisfactory, no assurance can be given that the Corporation will be able to successfully extend or renegotiate the Corporation's current collective agreements as they expire from time to time or that employees in the United States will not attempts to unionize. If the Corporation fails to extend or renegotiate the Corporation's collective agreements, if disputes with the Corporation's unions arise, or if the Corporation's unionized or non-unionized workers engage in a strike or other work stoppage or interruption, the Corporation could experience a significant disruption of, or inefficiencies in, its operations or incur higher labour costs, which could have a material adverse effect on the Corporation's business, results of operations, financial condition and liquidity.

At the date hereof, the collective agreements between the Corporation and the vast majority of its unionized employees have been renewed. The renewed collective agreements have a variety of expiration dates, ranging from December 31, 2018 to June 30, 2023. 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.

Drivers. Increases in driver compensation or difficulties attracting and retaining qualified drivers could have a material adverse effect on the Corporation's profitability and the ability to maintain or grow the Corporation's fleet.

Like many in the transportation sector, the Corporation experiences substantial difficulty in attracting and retaining sufficient numbers of qualified drivers. The truckload (TL) industry periodically experiences a shortage of qualified drivers. The Corporation believes the shortage of qualified drivers and intense competition for drivers from other transportation companies will create difficulties in maintaining or increasing the number of drivers and may negatively impact the Corporation's ability to engage a sufficient number of drivers, and the Corporation's inability to do so may negatively impact its operations. Further, the compensation the Corporation offers its drivers and independent contractor expenses are subject to market conditions, and the Corporation may find it necessary to increase driver and independent contractor compensation in future periods.

In addition, the Corporation and many other trucking companies suffer from a high turnover rate of drivers in the U.S. TL market. This high turnover rate requires the Corporation to continually recruit a substantial number of new drivers in order to operate existing revenue equipment. Driver shortages are exacerbated during periods of economic expansion, in which alternative employment opportunities, including in the construction and manufacturing industries, which may offer better compensation and/or more time at home, are more plentiful and freight demand increases, or during periods of economic downturns, in which unemployment benefits might be extended and financing is limited for independent contractors who seek to purchase equipment, or the scarcity or growth of loans for students who seek financial aid for driving school. The lack of adequate tractor parking along some U.S. highways and congestion caused by inadequate highway funding may make it more difficult for drivers to comply with hours of service regulations and cause added stress for drivers, further reducing the pool of eligible drivers. The Corporation's use of team-driven tractors for expedited shipments requires two drivers per tractor, which further increases the number of drivers the Corporation must recruit and retain in comparison to operations that require one driver per tractor. The Corporation also employs driver hiring standards, which could further reduce the pool of available drivers from which the Corporation would hire. If the Corporation is unable to continue to attract and retain a sufficient number of drivers, the Corporation could be forced to, among other things, adjust the Corporation's compensation packages, increase the number of the Corporation's tractors without drivers or operate with fewer trucks and face difficulty meeting shipper demands, any of which could adversely affect the Corporation's growth and profitability.

Independent Contractors. The Corporation's contracts with U.S. independent contractors are governed by U.S. federal leasing regulations, which impose specific requirements on the Corporation and the independent contractors. If more stringent U.S. federal leasing regulations are adopted, U.S. independent contractors could be deterred from becoming independent contractor drivers, which could materially adversely affect the Corporation's goal of maintaining its current fleet levels of independent contractors.

The Corporation provides financing to certain qualified Canadian independent contractors and financial guarantees to a small number of U.S. independent contractors. If the Corporation were unable to provide such financing or guarantees in the future, due to liquidity constraints or other restrictions, it may experience a decrease in the number of independent contractors it is able to engage. Further, if independent contractors the Corporation engages default under or otherwise terminate the financing arrangements and the Corporation is unable to find replacement independent contractors or seat the tractors with its drivers, the Corporation may incur losses on amounts owed to it with respect to such tractors.

Pursuant to the Corporation's fuel surcharge program with independent contractors, the Corporation pays independent contractors with which it contracts a fuel surcharge that increases with the increase in fuel prices. A significant increase or rapid fluctuation in fuel prices could cause the Corporation's costs under this program to be higher than the revenue the Corporation receives under its customer fuel surcharge programs.

U.S. tax and other regulatory authorities, as well as U.S. independent contractors themselves, have increasingly asserted that U.S. independent contractor drivers in the trucking industry are employees rather than independent contractors, and the Corporation's classification of independent contractors has been the subject of audits by such authorities from time to time. U.S. federal legislation has been introduced in the past that would make it easier for tax and other authorities to reclassify independent contractors as employees, including legislation to increase the recordkeeping requirements for those that engage independent contractor drivers and to increase the penalties for companies who misclassify their employees and are found to have violated employees' overtime and/or wage requirements. Additionally, U.S. federal legislators have sought to abolish the current safe harbor allowing taxpayers meeting certain criteria to treat individuals as independent contractors if they are following a long-standing, recognized practice, to extend the U.S. *Fair Labor Standards Act* to independent contractors and to impose notice requirements based on employment or independent contractor status and fines for failure to comply. Some U.S. states have put initiatives in place to increase their revenue from items such as unemployment, workers' compensation and income taxes, and a reclassification of independent contractors as employees would help states with this initiative. Further, U.S. class actions and other lawsuits have been filed against certain members of the Corporation's industry seeking to reclassify independent contractors as employees for a variety of purposes, including workers' compensation and health care coverage. In addition, companies that use lease purchase independent contractor programs, such as the Corporation, have been more susceptible to reclassification lawsuits, and several recent decisions have been made in favour of those seeking to classify independent contractor truck drivers as employees. U.S. taxing and other regulatory authorities and courts apply a variety of standards in their determination of independent contractor status. If the independent contractors with whom the Corporation contracts are determined to be employees, the Corporation would incur additional exposure under U.S. federal and state tax, workers' compensation, unemployment benefits, labour, employment and tort laws, including for prior periods, as well as potential liability for employee benefits and tax withholdings, and the Corporation's business, financial condition and results of operations could be materially adversely affected.

Acquisitions and Integration Risks. Historically, acquisitions have been a part of the Corporation's growth strategy. The Corporation may not be able to successfully integrate acquisitions into the Corporation's business, or may incur significant unexpected costs in doing so. Further, the process of integrating acquired businesses may be disruptive to the Corporation's existing business and may cause an interruption or reduction of the Corporation's business as a result of the following factors, among others:

- loss of drivers, key employees, customers or contracts;
- possible inconsistencies in or conflicts between standards, controls, procedures and policies among the combined companies and the need to implement company-wide financial, accounting, information technology and other systems;
- failure to maintain or improve the safety or quality of services that have historically been provided;
- inability to retain, integrate, hire or recruit qualified employees;
- unanticipated environmental or other liabilities;
- failure to coordinate geographically dispersed organizations; and
- the diversion of management's attention from the Corporation's day-to-day business as a result of the need to manage any disruptions and difficulties and the need to add management resources to do so.

Anticipated cost savings, synergies, revenue enhancements or other benefits from any acquisitions that the Company undertakes may not materialize in the expected timeframe or at all. The Corporation's estimated cost savings, synergies, revenue enhancements and other benefits from acquisitions are subject to a number of assumptions about the timing, execution and costs associated with realizing such synergies. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competition risks. There can be no assurance that such assumptions will turn out to be correct and, as a result, the amount of cost savings, synergies, revenue enhancements and other benefits the Corporation actually realizes and/or the timing of such realization may differ significantly (and may be significantly lower) from the ones the Corporation estimated, and the Corporation may incur significant costs in reaching the estimated cost savings, synergies, revenue enhancements or other benefits.

Many of the Corporation's recent acquisitions have involved the purchase of shares of existing companies. These acquisitions, as well as acquisitions of substantially all of the assets of a company, may expose the Corporation to liability for actions taken by an acquired business and its management before the Corporation's acquisition. The due diligence the Corporation conducts in connection with an acquisition and any contractual guarantees or indemnities that the Corporation receives from the sellers of acquired companies may not be sufficient to protect the Corporation from, or compensate the Corporation for, actual liabilities. The representations made by the sellers expire at varying periods after the closing. A material liability associated with an acquisition, especially where there is no right to indemnification, could adversely affect the Corporation's results of operations, financial condition and liquidity.

The Corporation intends to continue to review acquisition and investment opportunities in order to acquire companies and assets that meet the Corporation's investment criteria. Depending on the number of acquisitions and investments and funding requirements, the Corporation may need to raise substantial additional capital and increase the Corporation's indebtedness. Instability or disruptions in the capital markets, including credit markets, or the deterioration of the Corporation's financial condition due to internal or external factors, could restrict or prohibit access to the capital markets and could also increase the Corporation's cost of capital. To the extent the Corporation raises additional capital through the sale of equity, equity-linked or convertible debt securities, the issuance of such securities could result in dilution to the Corporation's existing shareholders. If the Corporation raises additional funds through the issuance of debt securities, the terms of such debt could impose additional restrictions and costs on the Corporation's operations. Additional capital, if required, may not be available on acceptable terms or at all. If the Corporation is unable to obtain additional capital at a reasonable cost, the Corporation may be required to forego potential acquisitions, which could impair the execution of the Corporation's growth strategy.

In addition, the Corporation faces competition for acquisition opportunities. This external competition may hinder the Corporation's ability to identify and/or consummate future acquisitions successfully. There is also a risk of impairment of acquired goodwill and intangible assets. This risk of impairment to goodwill and intangible assets exists because the assumptions used in the initial valuation, such as interest rates or forecasted cash flows, may change when testing for impairment is required.

There is no assurance that the Corporation will be successful in identifying, negotiating, consummating or integrating any future acquisitions. If the Corporation does not make any future acquisitions, the Corporation's growth rate could be materially and adversely affected. Any future acquisitions the Corporation does undertake could involve the dilutive issuance of equity securities or the incurring of additional indebtedness.

Environmental Matters. The Corporation uses storage tanks at certain of its Canadian and U.S. transportation terminals. Canadian and U.S. laws and regulations generally impose potential liability on the present and 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 it, 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. Liability may be imposed without regard to whether the Corporation knew of, or was responsible for, the presence or disposal of them. In addition, the presence of those substances, or the failure to properly dispose of or remove those substances, may adversely affect the Corporation's ability to sell or rent that property. 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 the Corporation's operations, business or assets will not be material affected by current or future environmental laws.

The Corporation's transportation operations and its properties are subject to extensive and frequently-changing federal, provincial, state, municipal and local environmental laws, regulations and requirements in Canada, the United States and Mexico 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 and control of real estate.

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 facilities as well as third-party facilities. If the Corporation incurs liability under applicable federal, state, provincial or local environmental-contamination 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. Although the Corporation has instituted programs to monitor and control environmental risks and promote compliance with applicable environmental laws and regulations, if the Corporation is involved in a spill or other accident involving hazardous substances, if there are releases of hazardous substances the Corporation transports, if soil or groundwater contamination is found at the Corporation's facilities or results from the Corporation's operations, or if the Corporation is found to be in violation of applicable laws or regulations, the Corporation could be subject to cleanup costs and liabilities, including substantial fines or penalties or civil and criminal liability, any of which could have a materially adverse effect on the Corporation's business and operating results.

Key Personnel. The future success of the Corporation will be based in large part on the quality of the Corporation's 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 key personnel or, in the event of their departure, to develop or attract new personnel of equal quality.

Dependence on Third Parties. Certain portions of the Corporation's business are dependent upon the services of third-party capacity providers, including other transportation companies. For that portion of the Corporation's business, the Corporation does not own or control the transportation assets that deliver the customers' freight, and the Corporation does not employ the people directly involved in delivering the freight. This reliance could cause delays in reporting certain events, including recognizing revenue and claims. These third-party providers seek other freight opportunities and may require increased compensation in times of improved freight demand or tight trucking

capacity. The Corporation's inability to secure the services of these third parties could significantly limit the Corporation's ability to serve its customers on competitive terms. Additionally, if the Corporation is unable to secure sufficient equipment or other transportation services to meet the Corporation's commitments to its customers or provide the Corporation's services on competitive terms, the Corporation's operating results could be materially and adversely affected. The Corporation's ability to secure sufficient equipment or other transportation services is affected by many risks beyond the Corporation's control, including equipment shortages in the transportation industry, particularly among contracted carriers, interruptions in service due to labour disputes, changes in regulations impacting transportation and changes in transportation rates.

Loan Default. The Corporation's current credit facilities and financing agreements contain certain restrictions and other covenants relating to, among other things, funded debt, distributions, liens, investments, acquisitions and dispositions outside the ordinary course of business and affiliate transactions. If the Corporation fails to comply with any of its financing arrangement covenants, restrictions and requirements, the Corporation could be in default under the relevant agreement, which could cause cross-defaults under other financing arrangements. In the event of any such default, if the Corporation failed to obtain replacement financing or amendments to or waivers under the applicable financing arrangement, the Corporation may be unable to pay dividends to its shareholders, its lenders could cease making further advances, declare the Corporation's debt to be immediately due and payable, fail to renew letters of credit, impose significant restrictions and requirements on the Corporation's operations, institute foreclosure procedures against their collateral, or impose significant fees and transaction costs. If debt acceleration occurs, economic conditions may make it difficult or expensive to refinance the accelerated debt or the Corporation may have to issue equity securities, which would dilute share ownership. Even if new financing is made available to the Corporation, credit may not be available to the Corporation on acceptable terms. A default under the Corporation's financing arrangements could result in a materially adverse effect on its liquidity, financial condition and results of operations. As at the date hereof, the Corporation is in compliance with all of its debt covenants and obligations.

Credit Facilities. The Corporation's credit facilities and financing agreements mature on various dates. The Corporation has significant ongoing capital requirements that could affect the Corporation's profitability if the Corporation is unable to generate sufficient cash from operations and/or obtain financing on favourable terms. The Corporation's indebtedness may increase from time to time in the future for various reasons, including fluctuations in results of operations, capital expenditures and potential acquisitions. 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 and ability to purchase new revenue equipment 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. If the Corporation is unable to generate sufficient cash flow from operations and obtain financing on terms favourable to the Corporation in the future, the Corporation may have to limit the Corporation's fleet size, enter into less favourable financing arrangements or operate the Corporation's revenue equipment for longer periods, any of which may have a material adverse effect on the Corporation's operations.

Customer and Credit Risks. The Corporation provides services to clients primarily in Canada, the United States and Mexico. 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 5% of the Corporation's total accounts receivable for the period ended December 31, 2018. Generally, the Corporation does not have long-term contracts with its major customers. Accordingly, in response to economic conditions, supply and demand factors in the industry, the Corporation's performance, the Corporation's customers' internal initiatives or other factors, the Corporation's customers may reduce or eliminate their use of the Corporation's services, or may threaten to do so to gain pricing and other concessions from the Corporation.

Economic conditions and capital markets may adversely affect the Corporation's customers and their ability to remain solvent. The customers' financial difficulties can negatively impact the Corporation's results of operations and financial condition, especially if those customers were to delay or default in payment to the Corporation. For certain customers, the Corporation has entered into multi-year contracts, and the rates the Corporation charges may not remain advantageous.

Availability of Capital. If the economic and/or the credit markets weaken, or the Corporation is unable to enter into acceptable financing arrangements to acquire revenue equipment, make investments and fund working capital on terms favourable to it, the Corporation's business, financial results and results of operations could be materially and adversely affected. The Corporation may need to incur additional indebtedness, reduce dividends or sell additional shares in order to accommodate these items. A decline in the credit or equity markets and any increase in volatility could make it more difficult for the Corporation to obtain financing and may lead to an adverse impact on the Corporation's profitability and operations.

Information Systems. The Corporation depends heavily on the proper functioning, availability and security of the Corporation's information and communication systems, including financial reporting and operating systems, in operating the Corporation's business. The Corporation's operating system is critical to understanding customer demands, accepting and planning loads, dispatching equipment and drivers and billing and collecting for the Corporation's services. The Corporation's financial reporting system is critical to producing accurate and timely financial statements and analyzing business information to help the Corporation manage its business effectively.

The Corporation's operations and those of its technology and communications service providers are vulnerable to interruption by natural and man-made disasters and other events beyond the Corporation's control, including cybersecurity breaches and threats, such as hackers, malware and viruses, fire, earthquake, power loss, telecommunications failure, terrorist attacks and Internet failures. If any of the Corporation's critical information systems fail, are breached or become otherwise unavailable, the Corporation's ability to manage its fleet efficiently, to respond to customers' requests effectively, to maintain billing and other records reliably, to maintain the confidentiality of the Corporation's data and to bill for services and prepare financial statements accurately or in a timely manner would be challenged. Any significant system failure, upgrade complication, cybersecurity breach or other system disruption could interrupt or delay the Corporation's operations, damage its reputation, cause the Corporation to lose customers, cause the Corporation to incur costs to repair its systems, pay fines or in respect of litigation or impact the Corporation's ability to manage its operations and report its financial performance, any of which could have a material adverse effect on the Corporation's business.

Litigation. The Corporation's business is subject to the risk of litigation by employees, customers, vendors, government agencies, shareholders and other parties. The outcome of litigation is difficult to assess or quantify, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. The cost to defend litigation may also be significant. Not all claims are covered by the Corporation's insurance, and there can be no assurance that the Corporation's coverage limits will be adequate to cover all amounts in dispute. In the United States, where the Corporation has growing operations, many trucking companies have been subject to class-action lawsuits alleging violations of various federal and state wage laws regarding, among other things, employee classification, employee meal breaks, rest periods, overtime eligibility, and failure to pay for all hours worked. A number of these lawsuits have resulted in the payment of substantial settlements or damages by the defendants. The Corporation may at some future date be subject to such a class-action lawsuit. To the extent the Corporation experiences claims that are uninsured, exceed the Corporation's coverage limits, involve significant aggregate use of the Corporation's self-insured retention amounts or cause increases in future premiums, the resulting expenses could have a material adverse effect on the Corporation's business, results of operations, financial condition and cash flows.

Internal Control. Effective internal controls over financial reporting are necessary for the Corporation to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Inferior internal controls could cause investors to lose confidence in the Corporation's reported financial information, which could have a negative effect on the trading price of its shares.

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 is 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 2018, 2017 and 2016 fiscal years:

	Fiscal year ended December 31,		
	2018	**2017**	**2016**
First Quarter	$0.21	$0.19	$0.17
Second Quarter	$0.21	$0.19	$0.17
Third Quarter	$0.21	$0.19	$0.17
Fourth Quarter	$0.24	$0.21	$0.19

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, 2018, there were 86,397,588 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 "TFII" and trade 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, 2018.

Month	High	Low	Volume
January	$ 34.81	$ 30.71	4,970,534
February	33.84	29.09	5,244,916
March	33.74	31.87	5,973,942
April	37.39	32.73	3,398,248
May	39.65	36.41	6,124,126
June	41.92	38.89	6,840,909
July	44.70	39.01	8,202,490
August	48.50	41.96	6,873,161
September	49.00	46.08	5,521,903
October	48.20	40.34	9,880,868
November	47.37	42.46	7,559,402
December	44.77	33.84	6,669,692

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.

Name, City, Province/State and Country of Residence	Position with the Corporation	Principal Occupation	Principal Occupation within the Preceding Five Years	First Year as Director of the Corporation (or its predecessor)
Leslie Abi-Karam................. Palm Beach Gardens, Florida, USA	Director	Corporate Director	—	2018
Alain Bédard, FCPA, FCA.... Jupiter, Florida, USA	Director, Chairman of the Board of Directors, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	—	1993
André Bérard[(1)(2)] .... Montreal, Québec, Canada	Lead Director	Corporate Director	—	2003
Lucien Bouchard, P.C., G.O.Q., Ad.E.[(3)] .... Outremont, Québec, Canada	Director	Partner Davies Ward Phillips & Vineberg LLP (law firm)	—	2007
Diane Giard Shefford, Québec, Canada	Director	Corporate Director	Prior to July 2018, Executive Vice-President at National Bank of Canada	2018
Richard Guay[(1)(2)(4)] .... Pointe-Claire, Québec, Canada	Director Chairman of the Human Resources and Compensation Committee	Corporate Director	—	2004
Debra Kelly-Ennis[(1)] .... Palm Beach Gardens, Florida, USA	Director	Corporate Director	—	2017
Neil D. Manning[(3)]................ Victoria, B.C., Canada	Director Chairman of the Corporate Governance and Nominating Committee	Corporate Director	—	2013
Arun Nayar[(1)] .... New York, NY, USA	Director Chairman of the Audit Committee	Corporate Director	—	2018

Name, City, Province/State and Country of Residence	Position with the Corporation	Principal Occupation	Principal Occupation within the Preceding Five Years	First Year as Director of the Corporation (or its predecessor)
Joey Saputo[(2)] .... Montreal, Québec, Canada	Director	Corporate Director	Prior to January 2018, President of Montreal Impact and Stade Saputo	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) 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, for 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 and Chief Executive Officer included in the table above), his or her name, city, province or state and country of residence and position held with the Corporation. In each case, the principal occupation of the officer is as set out under "Position with the Corporation". Except as otherwise indicated, each officer has held his or her principal occupation for the last five years.

Name, City, Province/State and Country of Residence	Position with the Corporation	Principal Occupation within the preceding five years
David Saperstein, MBA, BA…… Palm Beach Gardens, FL, USA	Chief Financial Officer	Prior to January 2019, Vice-President, Mergers and Acquisitions of the Corporation, prior to June 2016, Managing Director of BG Strategic Advisors LLC, and prior thereto, Senior Vice-President of BG Strategic Advisors LLC
Steven Brookshaw.......................... Brantford, Ontario, Canada	Executive Vice-President	Prior to 2018, Vice-President of Flatbed Operations of Contrans Group Inc.
Louis Gagnon................................. Rosemère, Québec, Canada	Executive Vice-President	Prior to 2016, Vice-President, Business Development of the Corporation
Rick Hashie..................................... Mississauga, Ontario, Canada	Executive Vice-President	Prior to 2017, President of TForce Integrated Solutions, McArthur Express and Concord Transportation
Brian Kohut .... Mississauga, Ontario, Canada	Executive Vice-President	—
Robert McGonigal........................... Edmonton, Alberta, Canada	Executive Vice- President	Prior to January 2016, President of Canadian Freightways and other subsidiaries of the Corporation

Name, City, Province/State and Country of Residence	Position with the Corporation	Principal Occupation within the preceding five years
Ken Tourangeau, CPA, CA............ Laval, Québec, Canada	Executive Vice-President	Prior to January, 2019, Vice-President, Finance and Control of the Corporation
Daniel Auger, ENG, MBA................ Laval, Québec, Canada	Vice-President, Information Technology	Prior to 2015, Vice-President, Business Enablement of IWEB Technologies Inc., and prior thereto, consultant for IWEB Technologies Inc.
Daniel Chevalier, CPA, CMA .... Laval, Québec, Canada	Vice President, Finance, Operational Reporting	Prior to January 2019, Director, Finance – Operational Support of the Corporation and prior thereto, he was Vice-President, Finance and Administration of Services Matrec Inc.
Patrick Croteau, CPA, CA............... Kirkland, Québec, Canada	Vice-President, Finance & Control	Prior to January, 2019, Corporate Controller of the Corporation
Johanne Dean................................. Jupiter, Florida, USA	Vice-President, Marketing & Communications	—
Sylvain Desaulniers, CIRC............. Montreal, Québec, Canada	Vice-President, Human Resources	—
Josiane-M. Langlois, LL.M. .... Beaconsfield, Québec, Canada	Vice-President, Legal Affairs & Corporate Secretary	—
Chantal Martel, LL.B. .... Saint-Lazare, Québec, Canada	Vice-President, Insurance & Compliance	—
Greg Orr.. Joplin, Missouri, USA	Executive Vice-President	Prior to 2019, President of CFI, prior to 2018, Senior Vice-President Sales and Operations of CFI and prior thereto, President & General Manager of Action Resources, Inc.
Martin Quesnel, CPA, CA .... Boucherville, Québec, Canada	Vice-President, Finance	—

As at December 31, 2018, 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 4,835,214 Common Shares, representing approximately 5.7% of the issued and outstanding Common Shares.

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 annexed as Schedule A to this annual information form.

Audit Committee Composition

The Audit Committee is composed of three members, namely Arun Nayar, Chairman, Richard Guay and Debra Kelly-Ennis. 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.

Arun Nayar retired in 2015 as Executive Vice President and Chief Financial Officer at Tyco International PLC, a provider of security products. He also held other highly-diverse leadership positions including Chief Financial Officer of Global Operations at PepsiCo Inc. and President of ABB Financial Services Inc., a wholly-owned subsidiary of ABB Ltd.

Richard Guay was Senior Executive Vice-President of the Laurentian Bank of Canada until his retirement in 2003. Before joining the Laurentian Bank, Mr. Guay was President and CEO of La Financière Coopérants and also held different executive positions with the National Bank of Canada.

Debra Kelly-Ennis is the former President and CEO of Diageo Canada. She held executive leadership positions with General Motors Corporation, Gerber Foods Company, RJR/Nabisco, Inc. and The Coca-Cola Company Foods Division.

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 Professional Accountants, for the years ended December 31, 2018 and 2017:

	Year ended December 31,			
	2018		2017	
Audit Fees	$	1,260,500	$	850,00
Audit-Related Fees[(1)]	$	3,000	$	43,000
Tax Fees[(2)]	$	808,500	$	176,851
	€	38,000	€	50,659
All Other Fees	$	8,160	$	9,860
TOTAL	$	2,080,160	$	1,079,711
	€	38,000	€	50,659

(1) 2017 and 2018 Audit-Related Fees were billed for the following services: audit of a special report for the CNESST and audit of the October 26, 2016 consolidated financial statements of Transportation Resources, Inc. and specified audit procedures and consent for the filing of a business acquisition report (Form 51-102F4) in connection with the acquisition by the Corporation of Transportation Resources Inc. and its subsidiaries

(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, 2018, 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 has been entered into during its last fiscal year.

NAME AND INTERESTS OF EXPERTS

KPMG LLP, Chartered Professional Accountants, prepared the Auditors' Report with respect of the Corporation's Consolidated Financial Statements for the fiscal year ended December 31, 2018.

KPMG LLP, Chartered Professional Accountants, 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 23, 2019.

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, 2018. 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 2018

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 CEO of the Corporation and provided that the services are promptly brought to the attention of the Corporation's audit 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.