



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

April 20, 2016

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of TRANSFORCE INC. (the “**Corporation**”) will be held at:

Place: TMX Broadcast Centre
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2

Date: April 20, 2016

Time: 1:30 p.m.

The purposes of the Meeting are to:

1. receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2015 and the auditors’ report thereon;
2. elect the directors of the Corporation;
3. appoint the auditor of the Corporation and authorize the directors to fix its remuneration;
4. consider, and if deemed advisable adopt, a resolution in the form annexed as Schedule A to the Management Proxy Circular, confirming an amendment to By-Law No. 1 of the Corporation so as to allow the payment of dividends by electronic means;
5. consider, and if deemed advisable adopt, a resolution in the form annexed as Schedule B to the Management Proxy Circular, confirming an amendment to By-Law No. 1 of the Corporation so as to change the retirement age for directors from 75 to 80; and
6. transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Corporation as of the close of business on March 16, 2016 (the “**Record Date**”) are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 5:00 p.m. (eastern time) on April 18, 2016 or with the Secretary of the Corporation before the commencement of the Meeting.

SIGNED in Toronto, Ontario
March 16, 2016

By Order of the Board of Directors

(signed) Alain Bédard

Alain Bédard, FCPA, FCA
Chairman of the Board, President and Chief Executive Officer
TransForce Inc.

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation by the management of TransForce Inc. (“TransForce” or the “Corporation”) of proxies to be used at the annual and special meeting of shareholders of the Corporation (the “Meeting”) to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to certain beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares” below.

INTERNET AVAILABILITY OF PROXY MATERIALS

Rules recently adopted by the Canadian securities administrators, known as the “notice and access” distribution option, allow companies to send shareholders a notice to the effect that proxy materials are available via the Internet, rather than mailing full sets of proxy materials to them. This year, the Corporation chose to mail full sets of proxy materials to shareholders. In the future, the Corporation may take advantage of the “notice and access” distribution option. If in the future the Corporation chooses to send such notices to shareholders, the notices will contain instructions on how shareholders can gain access to the Corporation’s notice of meeting and management proxy circular via the Internet. The notices will also contain instructions on how shareholders can ask that proxy materials be delivered to them electronically or in printed form on a one-time or ongoing basis.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Trust Company of Canada (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A shareholder may also vote using the internet at www.investorvote.com or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on April 18, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by a registered shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the shareholder’s appointee should be legibly printed in the blank space provided. In addition, the shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the shareholder’s shares are to be voted.

Shareholders who are not registered shareholders should refer to “Notice to Beneficial Holders of Shares” below.

Revocation of Proxy

A shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney or authorized agent and deposited with Computershare Trust Company of Canada at any time up to 5:00 p.m. (eastern time) on April 18, 2016 (i) by mail or by hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

Notice to Beneficial Holders of Shares

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders do not hold shares of the Corporation in their own name. Shareholders who do not hold their shares of the Corporation in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder’s name on the records of the Corporation. Those shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular and a voting instruction form or form of proxy, as applicable (collectively, the “**Meeting Materials**”), indirectly through intermediaries to all Beneficial Shareholders. The cost of the delivery of the Meeting Materials by intermediaries to Beneficial Shareholders will be borne by the Corporation.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation’s transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

EXERCISE OF DISCRETION BY PROXIES

Common shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted for the: (i) election of each of the directors of the Corporation; (ii) appointment of the auditor of the Corporation; (iii) resolution confirming an amendment to By-Law No. 1 of the Corporation so as to allow the payment of dividends by electronic means; and (iv) resolution confirming an amendment to By-Law No. 1 of the Corporation so as to change the retirement age for directors from 75 to 80, as stated under such headings in this Circular. Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and

other matters which may properly come before the Meeting, such common shares will be voted by the persons so designated in their discretion. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters.

VOTING SHARES

As of the close of business on March 16, 2016, there were 97,669,736 common shares of the Corporation issued and outstanding. Each common share entitles the holder thereof to one vote. The Corporation has fixed March 16, 2016 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting.

Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of common shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the common shares shown opposite its name at the Meeting. The list of shareholders is available for inspection during usual business hours at the head office of the Corporation, 8801 Trans-Canada Highway, Suite 500, Saint-Laurent, Québec H4S 1Z6 and at the Meeting.

SHAREHOLDERS HOLDING MORE THAN 10% OF THE SHARES

As at March 16, 2016, to the best knowledge of the Corporation, the following table sets out the only shareholders who beneficially owned or exercised control or direction over, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage</u>
Sentry Investments Inc. ⁽¹⁾	10,196,700	10.44%
Cambridge Global Asset Management ⁽²⁾	10,311,100	10.56%

- (1) The information as to shares over which Sentry Investments Inc. exercises control or direction is not within the knowledge of the Corporation and has been taken exclusively from an “Early Warning Report under the Alternative Monthly Reporting System of National Instrument 62-103 — the *Early Warning System and Related Take-Over bid and Insider Reporting Issues*” filed on SEDAR (www.sedar.com) by Sentry Investments Inc. on July 10, 2015 for the June 2015 period.
- (2) The information as to shares over which Cambridge Global Asset Management exercises control or direction is not within the knowledge of the Corporation and has been taken exclusively from an “Early Warning Report Pursuant to Part 4 of the National Instrument 62-103” filed on SEDAR (www.sedar.com) by Cambridge Global Asset Management on March 10, 2016 for the period ending February 29, 2016.

ELECTION OF DIRECTORS OF THE CORPORATION

The Board of Directors currently consists of nine directors. **Unless otherwise specified, the persons named in the enclosed form of proxy intend to vote for the election of the nine nominees whose names are set out in the section “Board of Directors Renewal and Director Selection – Nominees for Election as Director” below.** Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless the director’s office is earlier vacated in accordance with the by-laws of the Corporation. All of the persons named in the table below are currently members of the Board of Directors, except Scott Arves.

Majority Voting Policy

In February 2011, the Board of Directors adopted a policy to the effect that, in an uncontested election of directors, any nominee who receives a greater number of “withheld” votes than “for” votes will be considered to have not received the support of the shareholders of the Corporation and will be expected to immediately submit his or her resignation to the Board of Directors, such resignation to take effect upon acceptance, as the case may be, by the Board of Directors. Upon receipt of such resignation, the Chairman of the Board of Directors will meet with the Corporate Governance and Nominating Committee (“CGNC”) with a view to making a recommendation to the Board of Directors. The Board of Directors will make its decision within 90 days from the date of resignation. A director who submits his or her resignation pursuant to this policy will not participate in any deliberations of the Board of Directors or CGNC with respect to the resignation. If the Board of Directors accepts the director’s resignation, it may, subject to applicable corporate law: (i) leave the resulting vacant position on the Board of Directors unfilled until the next meeting of shareholders of the Corporation, (ii) fill the vacant position through the appointment of a new director whom the Board of Directors considers merits the confidence of the shareholders of the Corporation, or (iii) call a special meeting of shareholders at which a management nominee will be proposed to fill the vacant position. Alternatively, the Board of Directors may decide to not accept the resignation.

BOARD OF DIRECTORS RENEWAL AND DIRECTOR SELECTION

Last year's results


At last year's annual meeting of shareholders of the Corporation held on April 22, 2015, all candidates proposed as directors were duly elected to the Board of Directors of TransForce by a majority of the votes cast by shareholders present or represented by proxy at the Meeting as follows:

Name	For		Withheld	
	Number	%	Number	%
Alain Bédard	72,071,863	93.53%	4,981,609	6.47%
André Bérard	76,019,192	98.66%	1,034,280	1.34%
Lucien Bouchard	76,025,498	98.67%	1,027,974	1.33%
Stanley G. Dunford	76,488,994	99.27%	564,478	0.73%
Richard Guay	73,859,126	95.85%	3,194,346	4.15%
Annie Lo	77,030,079	99.97%	23,393	0.03%
Neil Donald Manning	73,649,601	95.58%	3,403,871	4.42%
Ronald D. Rogers	76,521,236	99.31%	532,236	0.69%
Joey Saputo	75,674,916	98.21%	1,378,556	1.79%

Nominees for Election as Director


The following tables sets out information about each of the nominees for election as director. This information includes, for each nominee, a summary of his or her career profile, residency, age, independence status, areas of expertise, current position with the Corporation, the names of other public companies on whose boards/committees the nominee currently serves, the total number of securities of the Corporation held by the nominee, and whether the nominee is in compliance with the Corporation's minimum share ownership policy for directors. The information as to securities of the Corporation beneficially owned or over which the nominees exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually. It includes Deferred Share Units ("DSU") for directors as well as Restricted Share Units ("RSU") and stock options for the President and Chief Executive Officer.

The Corporation restricts the number of public-company boards on which a director may serve to six, including that of the Corporation. The Corporation also expects each director to devote sufficient time to carrying out his or her duties effectively. Each director also commits to serve on the Corporation's Board of Directors for an extended period of time.

	<p>Scott Arves</p> <p>Scott Arves is a graduate in Industrial Engineering from the University of Wisconsin, Madison, Wisconsin. From 1979 to 2006, he held a variety of senior positions with Schneider National Inc. in Green Bay, Wisconsin, where he became President of the Transportation Sector in 2000. From 2006 to 2015, he was President and CEO of Transport Corporation of America, Inc., a truckload carrier and logistics provider with approximately 2,100 employees and \$375 million in annual revenue which was acquired by TransForce in 2014.</p> <p>Principal occupation⁽¹⁾: Consultant.</p> <p>Areas of Expertise:</p> <p>Finance / Risk Management</p> <p>Legal / Governance</p> <p>Human Resources / Compensation</p> <p>Marketing / Sales</p> <p>Transport / Operations</p>																			
<p>Prior Lake, Minnesota, U.S.A.</p> <p>Current position with the Corporation:</p> <p>Consultant</p> <p>Director since: N/A</p> <p>Age: 59</p> <p>Non-Independent⁽²⁾</p>																				
<p>Board/Committee Memberships with the Corporation</p>	<p>Other Public Companies Currently Serving</p> <table><tr><td>Directorships</td><td colspan="4">Committees</td></tr><tr><td>Commercial Vehicle Group, Inc.</td><td colspan="4">Compensation Committee (Chairman)</td></tr><tr><td></td><td colspan="4">Nominating and Governance Committee</td></tr></table>					Directorships	Committees				Commercial Vehicle Group, Inc.	Compensation Committee (Chairman)					Nominating and Governance Committee			
Directorships	Committees																			
Commercial Vehicle Group, Inc.	Compensation Committee (Chairman)																			
	Nominating and Governance Committee																			
<p>Securities Held</p>																				
<p><i>As at</i></p>	<p><i>Common Shares</i></p>	<p><i>DSUs</i></p>	<p><i>Total Shares and DSUs</i></p>	<p><i>Total Market Value of Shares and DSUs</i></p>	<p><i>Compliance with directors' minimum shareholding policy</i></p>															
<p>December 31, 2015</p>	<p>—</p>	<p>—</p>	<p>—</p>	<p>N/A</p>	<p>N/A</p>															
<p>December 31, 2014</p>	<p>—</p>	<p>—</p>	<p>—</p>	<p>N/A</p>	<p>N/A</p>															

(1) Other than as may be set out above, Mr. Arves has held this occupation for the last five years.

(2) Mr. Arves is the former President and CEO of Transport Corporation of America, Inc., a company acquired by TransForce in 2014.


 <p>Jupiter, Florida, USA</p> <p>Current position with the Corporation:</p> <p>Chairman of the Board of Directors</p> <p>President and Chief Executive Officer</p> <p>Director since⁽¹⁾: 1993</p> <p>Age: 62</p> <p>Non-Independent</p>	Alain Bédard, FCPA, FCA		<p>Alain Bédard is a graduate in Accounting and Finance from the Université de Sherbrooke, and began his career at KPMG in 1975. He rose to become a senior auditor within three years while obtaining his C.A. and CMA. Subsequently he served as a Controller in the forest products sector before joining Saputo in 1984 where he progressed through the ranks to become its Vice-President Finance. In 1996 he assumed management of a regional trucking firm which eventually became TransForce.</p> <p>From the outset, Mr. Bédard introduced a bold strategic plan of expansion, based on specific criteria including profitability, market penetration and geographic expansion. He has built a strong management team and has ensured the Corporation’s workforce is equipped with leading-edge technology to offer its customers tailored and innovative out-of-the box solutions.</p> <p>Through a series of acquisitions and strategic investments across Canada and the United States, Mr. Bédard has created a powerful, diversified trucking network. TransForce’s activities cover four specific areas: Package and Courier, Less-Than-Truckload, Truckload and Logistics. TransForce continually studies acquisition opportunities to further strengthen its network.</p> <p>The creation of shareholder value is an on-going focus and is a key priority for Mr. Bédard.</p> <p>Mr. Bédard’s community activities include participation in a range of humanitarian causes and support for foundations active in health and higher education. Mr. Bédard was awarded the title of Fellow by the Ordre des comptables agréés du Québec in February 2011.</p> <p>Principal occupation⁽²⁾: President and Chief Executive Officer of the Corporation.</p>						
	Areas of Expertise:								
	Finance								
	Accounting								
	Operations								
Manufacturing									
Board/Committee Memberships		Other Public Companies Currently Serving							
		Directorships					Committees		
Board of Directors (Chairman)		n/a					n/a		
Stock Options Held									
<i>Date Granted</i>	<i>Number</i>		<i>Exercise Price</i>		<i>Total Unexercised</i>		<i>Value of Unexercised Options Granted ⁽³⁾</i>		
July 31, 2009	922,000		\$6.32		600,000		\$10,374,000		
July 29, 2010	496,800		\$9.46		496,800		\$7,029,720		
August 1, 2011	383,100		\$14.28		383,100		\$3,574,323		
July 26, 2012	418,600		\$16.46		418,600		\$2,992,990		
July 25, 2013	376,200		\$20.18		376,200		\$1,290,366		
July 24, 2014	172,560		\$25.14		172,560		—		
July 23, 2015	335,356		\$24.93		335,356		—		
Securities Held									
<i>As at</i>	<i>Common Shares</i>		<i>DSUs</i>		<i>RSUs</i>		<i>Total # of Securities</i>	<i>Total Market Value of Securities</i>	<i>Compliance with directors’ minimum shareholding policy</i>
December 31, 2015	#	4,217,124	#	16,425	#	86,052	4,319,601	\$101,985,780 ⁽³⁾	Yes
	\$ ⁽³⁾	99,566,298	\$ ⁽³⁾	388,125	\$ ⁽³⁾	2,031,688			
December 31, 2014	#	4,240,594	#	16,039	#	32,966	4,289,599	\$126,929,234 ⁽⁴⁾	Yes
	\$ ⁽⁴⁾	125,479,176	\$ ⁽⁴⁾	474,594	\$ ⁽⁴⁾	975,464			

(1) Of the Corporation or its predecessors.

(2) Mr. Bédard has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the Toronto Stock Exchange ("TSX") on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).


 <p>Montreal, Québec, Canada</p> <p>Current position with the Corporation:</p> <p>Lead Director</p> <p>Director since⁽¹⁾: 2003</p> <p>Age: 75</p> <p>Independent</p>	<p>André Bérard</p> <p>André Bérard retired as Chief Executive Officer of the National Bank of Canada in January 2002 and as the Bank’s Chairman of the Board in March 2004, following more than 40 years with the Bank.</p> <p>Principal occupation⁽²⁾: Corporate Director.</p>				
	<p>Areas of Expertise:</p> <p>Accounting</p> <p>Finance</p> <p>Human Resources</p> <p>Manufacturing</p> <p>Operations</p>				
<p>Board/Committee Memberships with the Corporation</p>		<p>Other Public Companies Currently Serving</p>			
<p>Board of Directors (Lead Director)</p> <p>Human Resources & Compensation Committee (Member)</p> <p>Corporate Governance and Nominating Committee (Member)</p>		<p>Directorships</p>		<p>Committees</p>	
		<p>BMTC Group Inc.</p>		<p>Audit Committee</p> <p>Management Resources and Compensation Committee</p>	
<p>Securities Held</p>					
<p><i>As at</i></p>	<p><i>Common Shares</i></p>	<p><i>DSUs</i></p>	<p><i>Total Shares and DSUs</i></p>	<p><i>Total Market Value of Shares and DSUs</i></p>	<p><i>Compliance with directors’ minimum shareholding policy</i></p>
<p>December 31, 2015</p>	<p>53,200</p>	<p>74,512</p>	<p>127,712</p>	<p>\$3,015,280⁽³⁾</p>	<p>Yes</p>
<p>December 31, 2014</p>	<p>53,200</p>	<p>65,950</p>	<p>119,150</p>	<p>\$3,525,649⁽⁴⁾</p>	<p>Yes</p>

(1) Of the Corporation or its predecessors.

(2) Mr. Bérard has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).

	Lucien Bouchard, LL.L. Lucien Bouchard is a Partner with the law firm Davies Ward Phillips & Vineberg LLP, where he practices corporate and commercial law, is a negotiator and mediator for significant commercial and labour disputes, and advises major corporations on strategy and policy. He was Premier of Québec from 1996 to 2001, and prior thereto successively served in the Federal Cabinet as Secretary of State and Minister of the Environment and was Leader of the Opposition in the House of Commons. Prior to his political career, Mr. Bouchard was Canada’s Ambassador to France from 1985 to 1988. Mr. Bouchard is also Chairman of the Board of the Montreal Symphony Orchestra. Principal occupation ⁽²⁾ : Partner – Davies Ward Phillips & Vineberg LLP (law firm).				
Montreal, Québec, Canada Current position with the Corporation: Director Director since⁽¹⁾: 2007 Age: 77 Independent	Areas of Expertise: Legal Environment Consulting Finance				
Board/Committee Memberships with the Corporation		Other Public Companies Currently Serving			
		Directorships	Committees		
Board of Directors Corporate Governance and Nominating Committee (Member)		BMTC Group Inc.	Human Resources and Corporate Governance Committee		
Securities Held					
<i>As at</i>	<i>Common Shares</i>	<i>DSUs</i>	<i>Total Shares and DSUs</i>	<i>Total Market Value of Shares and DSUs</i>	<i>Compliance with directors' minimum shareholding policy</i>
December 31, 2015	Nil	46,169	46,169	\$1,090,050 ⁽³⁾	Yes
December 31, 2014	Nil	40,522	40,522	\$1,199,046 ⁽⁴⁾	Yes

(1) Of the Corporation or its predecessors.

(2) Mr. Bouchard has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).



Baie d'Urfé, Québec, Canada

Current position with the Corporation:

Director

Director since⁽¹⁾: 2004

Age: 65

Independent

Richard Guay

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. After retiring from the Laurentian Bank, Mr. Guay was involved with the Melior group, an owner and manager of senior residences, as an executive and consultant until June 2010.

Mr. Guay is now a corporate director in addition to being chair or a member of various credit committees. Specifically, Mr. Guay is a director of Cogir Apartments REIT, Chair of the Credit Committee of Centria Capital Construction Fund, L.P., Centria Capital Development Fund, L.P. and Centria Capital Business Evolution Fund, L.P., and a member of the Credit Committee of Fonds CII-ITC Centria capital s.e.c. and Stonebridge Infrastructure Debt Fund I LP.

Principal occupation⁽²⁾: Consultant and Corporate Director.

Areas of Expertise:

Finance

Accounting

Consulting

Human Resources


Board/Committee Memberships with the Corporation			Other Public Companies Currently Serving			
			Directorships		Committees	
Board of Directors			n/a		n/a	
Human Resources and Compensation Committee (Chairman)						
Audit Committee (Member)						
Securities Held						
As at	Common Shares	DSUs	Total Shares and DSUs	Total Market Value of Shares and DSUs	Compliance with directors' minimum shareholding policy	
December 31, 2015	11,304	35,075	46,379	\$1,095,008 ⁽³⁾	Yes	
December 31, 2014	9,504	31,537	41,041	\$1,214,403 ⁽⁴⁾	Yes	

(1) Of the Corporation or its predecessors.

(2) Mr. Guay has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).

	Annie Lo , BSc, MBA, CMA and CFM				
	For 34 years, Annie Lo held a variety of financial positions at Johnson & Johnson, a Fortune 30 company and the world’s largest healthcare conglomerates – between 2001 and 2011 serving as the Chief Financial Officer for the Worldwide Consumer & Personal Care Group. She has also held other highly diverse leadership positions, including Investor Relations Officer, V.P. of Internal Audit Department and Chief Financial Officer for a large U.S. division and Asia Pacific region. Mrs. Lo previously served on the board of directors of Ansell Ltd.				
Principal occupation ⁽¹⁾ : Consultant and Corporate Director.					
Areas of Expertise:					
Finance					
Risk Management					
Accounting					
Consulting					
Operations					
New Hope, PA, USA					
Current position with the Corporation:					
Director					
Director since: 2014					
Age: 65					
Independent					
Board/Committee Memberships with the Corporation		Other Public Companies Currently Serving			
		Directorships		Committees	
Board of Directors		Quintiles Inc.		Audit Committee	
Audit Committee (Member)					
Securities Held					
<i>As at</i>	<i>Common Shares</i>	<i>DSUs</i>	<i>Total Shares and DSUs</i>	<i>Total Market Value of Shares and DSUs</i>	<i>Compliance with directors’ minimum shareholding policy</i>
December 31, 2015	Nil	7,463	7,463	\$176,201 ⁽²⁾	In progress ⁽⁴⁾
December 31, 2014	Nil	2,741	2,741	\$81,106 ⁽³⁾	In progress ⁽⁴⁾

(1) Other than as may be set out above, Mrs. Lo has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).

(4) Mrs. Lo was elected as a director on April 24, 2014 and consequently has until April 24, 2018 to meet the minimum share ownership requirement.



Victoria, B.C., Canada

Current position with the Corporation:

Director

Director since: 2013

Age: 70

Independent

Neil Donald Manning

Neil Donald Manning has been Chairman of Coleridge Holdings Limited since 2012 and is a Corporate Director. From 2002 to 2012 he was President and Chief Executive Officer of Wajax Corporation, an industrial products distributor selling and servicing a complete range of equipment, industrial components and power systems to customers in a wide range of industries.

Principal occupation⁽¹⁾ Chairman, Coleridge Holdings Limited and Corporate Director

Areas of Expertise:

Distribution

Marketing


Human Resources

Board/Committee Memberships with the Corporation		Other Public Companies Currently Serving			
		Directorships		Committees	
Board of Directors		Vicwest Inc.		Audit Committee	
Audit Committee (Member)				HR & Corporate Governance Committee	
Corporate Governance and Nominating Committee (Chairman)		Coleridge Holdings Ltd.		Chairman of the Board	
Securities Held					
As at	Common Shares	DSUs	Total Shares and DSUs	Total Market Value of Shares and DSUs	Compliance with directors' minimum shareholding policy
December 31, 2015	16,000	12,008	28,008	\$661,268 ⁽²⁾	Yes
December 31, 2014	16,000	6,893	22,893	\$677,404 ⁽³⁾	Yes

(1) Mr. Manning has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).

		Ronald D. Rogers, FCPA Ronald D. Rogers retired in September 2004 as Chief Financial Officer and Senior Vice-President of Shaw Communications Inc. Prior to that, he held Vice-President positions with the Crown Management Board of Saskatchewan, Moore Corporation and Warrington Inc. In addition, he was President of Greb Footwear (the footwear division of Warrington). He has been involved in many mergers and acquisitions and financial transactions in North America, Europe, Australia and Asia involving both public and private companies. Mr. Rogers is also a director of Parkland Fuel Corporation and until December 2015, was a director of Corus Entertainment Inc. Principal occupation ⁽²⁾ : Corporate Director.			
Calgary, Alberta, Canada Current position with the Corporation: Director Director since⁽¹⁾: 2006 Age: 71 Independent		Areas of Expertise: Accounting Consulting Finance Management			
Current Board/Committee Memberships with the Corporation⁽⁴⁾ Board of Directors Audit Committee (Chairman)		Other Public Companies Currently Serving			
		Directorships		Committees	
		Parkland Fuel Corporation		Audit Committee (Chairman)	
Securities held					
<i>As at</i>	<i>Common Shares</i>	<i>DSUs</i>	<i>Total Shares and DSUs</i>	<i>Total Market Value of Shares and DSUs</i>	<i>Compliance</i>
December 31, 2015	26,127	28,879	55,006	\$1,298,691 ⁽³⁾	Yes
December 31, 2014	26,127	23,255	49,382	\$1,461,213 ⁽⁴⁾	Yes

(1) Of the Corporation or its predecessors.

(2) Mr. Rogers has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).



Montreal, Québec, Canada

Current position with the Corporation:

Director

Director since⁽¹⁾: 1996

Age: 51

Independent

Joey Saputo

Joey Saputo is President of Free2Be Holdings Inc., a private holding company. He has held a variety of positions within Saputo Inc. and Jolina Capital Inc. since 1985. Mr. Saputo is also President of the Montreal Impact, a professional soccer team he helped form in 1993, and Saputo Stadium, a soccer-specific stadium built in Montreal in 2008.

Principal occupation⁽²⁾: President – Montreal Impact and Saputo Stadium (sports and entertainment).

Areas of Expertise:

Marketing

Sales

Human Resources

Board/Committee Memberships with the Corporation			Other Public Companies Currently Serving			
			Directorships		Committees	
Board of Directors			n/a		n/a	
Human Resources and Compensation Committee (Member)						
Securities held						
As at	Common Shares	DSUs	Total Shares and DSUs	Total Market Value of Shares and DSUs	Compliance	
December 31, 2015	207,746	31,276	239,022	\$5,643,309 ⁽³⁾	Yes	
December 31, 2014	207,746	25,538	233,284	\$6,902,874 ⁽⁴⁾	Yes	

(1) Of the Corporation or its predecessors.

(2) Mr. Saputo has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61).

(4) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2014 (\$29.59).

To the knowledge of the Corporation, none of the foregoing nominees for election as a director:

- (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 proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets,

with the exception of Richard Guay, who 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 a Notice of Intention on April 1, 2010 and filed an assignment in bankruptcy on July 13, 2010.

To the knowledge of the Corporation, none of the foregoing nominees for election as a director 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 securityholder in deciding whether to vote for a proposed director.

Board and Committee Attendance

During the 2015 fiscal year, there were seven meetings of the Board of Directors, four meetings of the Human Resources and Compensation Committee (“**HRCC**”), three meetings of the CGNC and six meetings of the Audit Committee. Directors are expected to attend all regularly-scheduled meetings. During 2015, all directors attended all regularly-scheduled meetings with the exception of Stanley G. Dunford, who was absent from three Board meetings, Vincent Musacchio, who was absent from two Board meetings, and André Bérard and Annie Lo, who were each absent from one Board meeting. Attendance of the members of the Board of Directors at the meetings held during 2015 is set out in the table below:

Director	Number and % of meetings attended ⁽¹⁾									
	Board		Audit Committee		Human Resources & Compensation Committee		Corporate Governance & Nominating Committee		Committees (Total)	Overall Attendance
	Memb.	Attendance	Memb.	Attendance	Memb.	Attendance	Memb.	Attendance		
Alain Bédard	Chair	7/7 (100%)								7/7 (100%)
André Bérard	√	6/7 (86%)			√	4/4 (100%)	√	3/3 (100%)	7/7 (71%)	13/14 (93%)
Lucien Bouchard	√	7/7 (100%)					√	3/3 (100%)	3/3 (100%)	10/10 (100%)
Stanley D. Dunford	√	3/6 ⁽²⁾ (50%)								3/6 (50%)
Richard Guay	√	7/7 (100%)	√	6/6 (100%)	Chair	4/4 (100%)			10/10 (100%)	17/17 (100%)
Annie Lo	√	6/7 (86%)	√	5/6 (83%)					5/6 (83%)	11/13 (85%)
Neil D. Manning	√	7/7 (100%)					Chair	3/3 (100%)	3/3 (100%)	10/10 (100%)
Vincent Musacchio	√	1/2 ⁽³⁾ (50%)					√	0/1 ⁽³⁾ (0%)	0/1 (0%)	1/3 (33%)
Ronald D. Rogers	√	7/7 (100%)	Chair	6/6 (100%)					6/6 (100%)	13/13 (100%)
Joey Saputo	√	7/7 (100%)			√	4/4 (100%)			4/4 (100%)	11/11 (100%)

(1) Regular and special meetings.

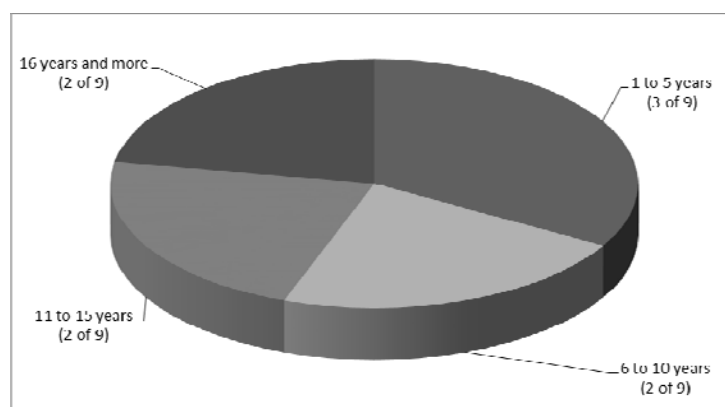
(2) Stanley G. Dunford was elected as a director on April 22, 2015.

(3) Vincent Musacchio ceased to be a director and a member of the Corporate Governance and Nominating Committee on April 22, 2015.

The independent members of the Board of Directors meet at least on a quarterly basis without non-independent members of the Board of Directors or members of management present. In 2015, the independent members of the Board of Directors held five such meetings.

Director Tenure

The following chart sets out the tenure of the members of the Board of Directors as of December 31, 2015:



The average tenure of the members of the Board of Directors is 10.3 years.

Director Independence

The following table sets out the independence status of the directors, as defined in National Instrument 52-110 *Audit Committees*, as at the date of this Circular:

Independence Status		
Director	Independent	Reason for non-independence
Scott Arves ⁽¹⁾	No	Former President and CEO of Transport Corporation of America, Inc., acquired by TransForce in 2014
Alain Bédard	No	President and Chief Executive Officer of the Corporation
André Bérard	Yes	
Lucien Bouchard	Yes	
Stanley G. Dunford ⁽²⁾	No	Former CEO of Contrans Group Inc., acquired by TransForce in 2014
Richard Guay	Yes	
Annie Lo	Yes	
Neil D. Manning	Yes	
Ronald D. Rogers	Yes	
Joey Saputo	Yes	

(1) Mr. Arves is a nominee for election as a director.

(2) Mr. Dunford is not standing for re-election as a director at the Meeting.

Directors' Skills Matrix

In order to meet Corporation's needs in terms of directors' competencies and expertise, the CGNC has developed a skills matrix survey based on knowledge areas and types of expertise. The results of such matrix are compiled and serve to determine any needs for educating the directors under the New Director Training and Development Program.

The directors are regularly offered high level presentations by senior executives of the Corporation about their respective businesses and site tours of the Corporation's terminals.

The Board of Directors also takes into consideration the nominees' independence, qualifications, financial acumen and business judgment and the dynamics of the Board of Directors. This skill matrix is reviewed regularly and is updated as may be required. The survey is taken by each director every two years and the results help the CGNC to identify any gaps to be addressed in the director nomination process.

The following table sets out the range of skills the Board of Directors perceives to be most important and indicates the extent to which they are met by current Board members:

Directors	Finance / Risk Management	Accounting	Legal / Governance	Human Resources / Compensation	Marketing / Sales	Transport / Operations
Scott Arves ⁽¹⁾	√		√	√	√	√
Alain Bédard	√	√				√
André Bérard	√	√		√		
Lucien Bouchard	√		√			
Richard Guay	√	√		√		
Annie Lo	√	√			√	√
Neil D. Manning	√			√	√	
Ronald D. Rogers	√	√				
Joey Saputo	√			√	√	√

(1) Mr. Arves is a nominee for election as a director.

The CGNC considers potential candidates from time to time, with the support of an executive recruiting firm with which it discusses the Board's needs in term of competencies and expertise. The CGNC will encourage Board diversity, including with respect to status, backgrounds, business experience, professional expertise, personal skills, geographic background as well as gender. Prior to nominating a new director for election or appointment, the President and Chief Executive Officer, along with the Chairman of the CGNC and the lead director, meet with the candidate to discuss his or her interest and willingness to serve on the Corporation's Board of Directors, potential conflicts of interest, and his or her ability to devote sufficient time and energy to the Board of Directors.

EXECUTIVE COMPENSATION – COMPENSATION DISCUSSION AND ANALYSIS

1.0 Compensation Governance

1.1 Human Resources and Compensation Committee

In 2015, the HRCC was composed of Richard Guay (Chair), Joey Saputo and André Bérard. No member of the HRCC is an officer, executive or employee of the Corporation or of a subsidiary of the Corporation. All members of the HRCC are independent within the meaning of National Instrument 52-110 *Audit Committees*.

The mandate of the HRCC consists of monitoring the performance assessment, succession planning and compensation of the Chief Executive Officer (“CEO”), the CFO (“CFO”) and the three next most highly-compensated executive officers of the Corporation and its subsidiaries (collectively, the “Named Executive Officers” or “NEOs”) and reviewing human-resources practices generally. Other responsibilities include: (i) appointing the executive officers of the Corporation upon recommendation of the CEO; (ii) reviewing the performance evaluations of the NEOs; (iii) recommending the NEOs’ compensation levels to the Board of Directors; and (iv) retaining consulting services of outside experts for advice on executive compensation matters.

1.2 The HRCC’s Role Regarding Compensation

The HRCC monitors and assesses the performance of the NEOs and determines compensation levels on an annual basis. In its assessment of the annual compensation of the NEOs, the HRCC takes into consideration the median compensation paid by other Canadian and American companies of comparable size and the absolute and relative performance of the Corporation relative to such other companies. In addition, the HRCC takes into account other relevant factors such as pension benefits and costs. During the 2015 financial year, the HRCC held four *in camera* sessions without members of management present at which the HRCC discussed, among other things, the compensation of the President and CEO.

The following table sets out the respective roles of the HRCC and management with regards to compensation decisions:

Compensation decisions	HRCC	Management
Philosophy and policy	<ul style="list-style-type: none"> • Work with management to develop compensation philosophy and policy and review, approve and adopt the philosophy and policy. 	<ul style="list-style-type: none"> • Develop, recommend and implement compensation philosophy and policy. • Monitor actual practice to ensure consistency with philosophy and policy and propose changes as appropriate.
Plan design	<ul style="list-style-type: none"> • Review, approve and adopt plan objectives, plan type, eligibility, vesting provisions (including performance conditions) and other provisions such as change of control, death, disability, termination with/without cause, resignation, etc. 	<ul style="list-style-type: none"> • Work with HRCC to develop plan design. • Implement plan design.
Performance targets	<ul style="list-style-type: none"> • Review, approve and adopt TransForce performance targets. • Receive division-level performance targets for information. 	<ul style="list-style-type: none"> • CEO recommends TransForce performance targets for Board of Directors’ approval. • CEO cross-calibrates and approves division-level performance targets.
Performance evaluations	<ul style="list-style-type: none"> • Conduct CEO performance evaluation. • Receive performance evaluation information for succession planning purposes. 	<ul style="list-style-type: none"> • Conduct performance evaluations for direct reports and inform the HRCC for succession planning purposes.
Individual salary increases and incentive awards	<ul style="list-style-type: none"> • Approve compensation for NEOs and long-term incentive eligible groups. 	<ul style="list-style-type: none"> • CEO recommends compensation for NEOs and all long-term incentive eligible groups to the HRCC for approval.

The members of the HRCC have experience in executive compensation either as officers or directors of public companies. The Board of Directors considers that the members of the HRCC together have the knowledge, the experience and the right profile in order to fulfill the HRCC mandate. As of December 31, 2015, none of the HRCC members was CEO of a public company.

The following table sets out the HRCC members, their experience in executive compensation and their competencies and experience in compensation policies and practices decision making:

Committee members	Independent	Direct experience in executive compensation	Competencies and experience in compensation policies and practices decision-making
Richard Guay	Yes	√	√
Joey Saputo	Yes	√	√
André Bérard	Yes	√	√

1.3 Compensation Consultant

The HRCC has the authority to retain independent consultants to advise the HRCC on compensation policy issues.

During the 2014 and 2015 financial years, Willis Towers Watson, formerly known as Towers Watson, was retained by the HRCC to review the compensation of executive positions and other matters relating to executive compensation.

The HRCC is not required to pre-approve other services that Willis Towers Watson or its affiliates provide to the Corporation at the request of management.

Executive Compensation-Related Fees

(a) Executive Compensation-Related Fees

“Executive Compensation-Related Fees” consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Corporation’s directors and/or executive officers. Willis Towers Watson billed the Corporation \$39,212 in Executive Compensation-Related Fees in the fiscal year 2014 and \$32,635 in 2015.

(b) All Other Fees

“All Other Fees” consist of fees for services that are billed by each consultant or advisor mentioned above and which are not reported under “Executive Compensation-Related Fees”. No other work was performed by Willis Towers Watson for the Corporation during the fiscal year 2014 or 2015.

Because of the policies and procedures that Willis Towers Watson and the HRCC have established, the HRCC is confident that the advice it receives from the individual executive compensation consultant is objective and not influenced by Willis Towers Watson’s or its affiliates’ relationships with the Corporation.

1.4 Managing Compensation Risk

The Corporation’s compensation policies and practices encourage behaviour which aligns with the long-term interests of the Corporation and its shareholders. The HRCC ensures that the policies, practices and plans respect applicable laws and continuously seeks improvement in compensation risk management monitoring. In 2011, the HRCC mandated a consulting firm to conduct a compensation risk assessment and to identify any material risks. The Corporation’s compensation policies and practices were hence reviewed based on several criteria such as the governance of the plans, the nature and mix of performance measures, the weighting of the compensation elements within the pay mix and the goal-setting process. Further to this review, the HRCC was satisfied that there are no risks arising from the Corporation’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

1.5 Clawback Policy

On March 2, 2015, the Corporation adopted a clawback policy with effect from January 1, 2015. This policy is designed to set the guidelines for recovery of performance-based compensation of senior executives of the Corporation, including NEOs, in the event that, after the effective date, (i) the financial statements of the Corporation are restated as the direct or indirect result of fraud or illegal misconduct on the part of one or more executives, and (ii) the amount of any performance-based compensation paid to any such executive for the year(s) in question would have been lower had it been calculated based on such restated financial statements for the year(s) in question.

1.6 Anti-Hedging Policy

On March 2, 2015, the Corporation adopted an anti-hedging policy with effect from January 1, 2015. The policy prohibits directors and other senior executives of the Corporation from using derivatives or other financial instruments to retain legal ownership of their shares in the Corporation while reducing their exposure to changes in the Corporation's share price.

1.7 Succession Planning

As part of the succession planning the management has concluded, with the approval of the HRCC, an agreement with Willis Towers Watson to initiate a formal succession plan. This process will allow the Corporation to identify within its executive team the key individuals whose talents may be developed. An initial report of this process will be submitted to the HRCC by December 2016.

2.0 Determining Compensation

2.1 Compensation Philosophy and Program Objectives

Compensation is designed to attract, motivate and retain high-performing senior executives. The compensation program is intended to reward overall operational performance and surplus cash creation and is closely linked to corporate performance (pay-for-performance philosophy). The compensation program aligns the executives' interests with those of the Corporation's shareholders by providing them with equity-based incentive plans and the opportunity for total compensation that is competitive with the compensation received by executives employed by a group of comparable companies.

2.2 Benchmarking Practices and Positioning

The Corporation's compensation philosophy for the President and CEO is to position base salary, total target cash compensation (base salary and target short-term incentives) and total target direct compensation (total target cash compensation and long-term incentives) at the 75th percentile of the Corporation's comparator group. This target positioning is intended to reflect the President and CEO's role as founder of the Corporation. For the other NEOs, the Corporation's target positioning is to align base salary, total target cash compensation and total target direct compensation at the median of the market, with the possibility to reach the upper quartile for strong performance.

The composition of the comparator group is reviewed periodically by the HRCC, to ensure its continued relevance. The comparator group is comprised of Canadian and American companies of similar size from various industries to reflect the scope of the executive roles, as well as other Canadian and American companies with which the Corporation competes for executive talent within the same industry.

The comparator group is comprised of eight Canadian companies and eight American companies (see list below) with annual revenues between \$1 billion and \$8 billion (median revenues are in line with those of TransForce) and also meeting one or more of the following criteria:

- Operating in one of the following sectors:
 - transportation/waste management
 - large distribution network (e.g. retail/trade or consumer products)
 - industrial/utilities
- Autonomous
- Publicly traded
- Entrepreneurial culture
- Growth by acquisitions

Revenue size is considered relevant in selecting comparators given the correlation between pay levels and company size. The industry sector is considered relevant in selecting comparators, as the Corporation competes directly with these organizations for customers, revenue, executive talent and capital. The nature of the organization (i.e., autonomous, publicly traded, entrepreneurial, growth by acquisitions) is considered relevant as an indicator of the level of complexity, job scope and responsibility associated with senior executive positions.

The comparator group is comprised of the following companies:

- Old Dominion Freight Line Inc.
- Swift Transportation Company
- JB Hunt Transport Services Inc.
- Con-way Inc.
- Landstar Systems Inc.
- Hub Group Inc.
- Ryder System Inc.
- Progressive Waste Solutions Ltd.
- Republic Services Inc.
- Mullen Group Ltd.
- Toromont Industries Ltd.
- Dorel Industries Inc.
- Linamar Corporation
- Gibson Energy Inc.
- Canadian Pacific Railway Limited
- Finning International Inc.

2.3 Compensation Elements

The Corporation's executive compensation program is structured so as to have three main components: base salary, short-term incentives (bonuses), and long-term incentives, including stock options and performance contingent restricted share units. The following table sets out the Corporation's plans by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective.

Compensation element	Form	Performance period	Objective
Base Salary	Cash	Annual	Immediate cash incentive for the Corporation's executive officers and should be at levels competitive with the comparator group that competes with the Corporation for business opportunities and executive talent. Ensure internal equity and competitiveness.
Short-term incentive plan	Cash based on performance	Annual	Encourage and reward performance over the financial year compared to predefined goals and objectives and reflect progress toward company-wide performance objectives and personal objectives. Reflect a pay for performance philosophy (corporate, business unit and individual performance).
Long-term incentive plan	Stock options (50%)	7-year option term 10-year option term ⁽¹⁾	Ensure that the executive officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value and provide capital accumulation linked directly to the Corporation's performance.
	Performance contingent restricted share units (50%)	3 year cliff vesting	Both long-incentive vehicles are subject to performance conditions at the date of grant or award. The minimum grant is set at 25% of the target awards. Therefore, 75% of long-term incentives are subject to performance conditions.
Pension plans	Pension plan (defined benefits, defined contribution or RRSP)	Ongoing	Attract and retain highly-qualified executives by providing market-competitive benefits for income security in retirement.
Health and other benefits and perquisites	Health, dental, life and disability insurance plans Car allowance	Ongoing	Attract and retain healthy and high-performing executives by providing market-competitive benefits and perquisites.

(1) For grants before fiscal year 2011.

The variable components of the Corporation's executive compensation program are designed to closely link the compensation of the Corporation's NEOs, senior executives and management employees with the performance of the Corporation and its subsidiaries (pay-for-performance philosophy).

2.3.1 Base Salary

In approving the base salary of the NEOs, including the President and CEO, the HRCC takes into consideration the salaries paid to senior executives of other Canadian and American companies holding positions of similar importance, scope and complexity. The HRCC reviews the base salary of each NEO on a regular basis so that it may recommend to the Board of Directors that appropriate adjustments be made thereto in order to ensure that the salaries of the Corporation's NEOs remain competitive as per the compensation program objectives.

2.3.2 Short-Term Incentive Plan

NEOs and other senior executives of a Group or Division within the Corporation are eligible to receive an annual bonus under a short-term incentive plan ("STIP"). The STIP provides an opportunity to receive an annual cash payment based on the degree of achievement of objectives set by the Board of Directors upon recommendation by the HRCC. The objectives of the STIP are to reward achievement based on the Corporation's financial performance and strengthen the link between pay and performance.

The following table sets out the performance weightings and the potential STIP payouts as a percentage of base salary for the NEOs in 2015:

Name	Target payout as a percentage of base salary	Financial objectives ⁽¹⁾		Individual / Non-financial strategic objectives
		Performance indicator	Weighting	Weighting
Alain Bédard	200%	Revenues, Operating Earnings, EBITDA, EBITDAR and Cash flow ⁽²⁾	60%	40%
Gregory W. Rumble ⁽³⁾	75%	Business Unit Operating Earnings and Corporate Operating Earnings	100%	0%
Brian Kohut	75%	Business Unit Operating Earnings	80%	20%
Robert O'Reilly	70%	Business Unit Operating Earnings	80%	20%
Jean-François Dodier	60%	Business Unit Operating Earnings	80%	20%

(1) A minimum performance threshold of 80% is required to receive a STIP payout under the financial objectives.

(2) Performance indicators for the President & CEO are based on corporate financial measures.

(3) Mr. Rumble was appointed as Executive Vice-President and CFO of the Corporation on May 1, 2015.

For the CEO, the STIP is based as to 60% on financial objectives of the Corporation and as to 40% on non-financial strategic objectives. For the Executive Vice-President and CFO, Gregory W. Rumble, 66.67% of the 2015 STIP is based on attainment of budgeted Operating Earnings in his business unit, which was guaranteed in 2015, and 33.33% is based on Corporate Operating Earnings. For other executives, 80% of the 2015 STIP is based on attainment of budgeted Operating Earnings in their respective business units and 20% is based on individual objectives. In order to be eligible to receive any payout under the STIP in respect of the financial-objectives component, a minimum performance threshold of 80% of the budgeted Revenues/Operating Earnings/Earnings before interest, taxes, depreciation and amortization ("EBITDA")/Earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR")/Cash flow measures is required. The Board of Directors, upon recommendation by the HRCC, may modify actual STIP awards either upwards or downwards taking into consideration exceptional circumstances as deemed appropriate. The overall mix of financial objectives reflects the Corporation's balanced focus on top-line growth as well as bottom-line profitability. As well, for other NEOs, the STIP performance indicators recognize the importance of the strong entrepreneurial culture and the autonomy of each entity within the Corporation.

For the fiscal year 2015, the HRCC approved the payment of an aggregate of \$3,651,750 under the STIP for the NEOs.

Target performance goals in 2015

The following table sets out the impact of the Corporation's financial performance on the compensation earned by the NEOs during fiscal year 2015.

Chief Executive Officer

Corporate metrics ⁽¹⁾	Target objectives in \$000's ⁽⁴⁾	Achievement in 2015 ⁽⁵⁾
Revenues ⁽²⁾	3,821,437	TransForce met 99.2% of its target Revenues objectives
EBITDAR	653,352	TransForce met 100.2% of its target EBITDAR objectives
EBITDA	534,864	TransForce met 99.5% of its target EBITDA objectives
Operating Earnings	328,729	TransForce met 98.6% its target Operating Earnings objectives
Cash flow ⁽³⁾	364,009	TransForce met 98.4% of its target Cash flow objectives

(1) Excluding rig moving services' results.

(2) Revenues before fuel surcharge.

(3) Cash flow from operating activities before net change in non-cash operating working capital.

(4) The CEO is not eligible for over-achievement performance payment and at least 95% of each objective is required for full performance payment.

(5) Results exclude significant acquisitions and rig moving services but include Waste Management segment's activities, which were presented as a discontinued operation in the consolidated financial statements for the fiscal year ended December 31, 2015.

For the CEO, the following non-financial objectives were also identified and measured in 2015:

Objectives	Achievement in 2015
Identify acquisition opportunities and when acquired and integrated, accomplish financial and non-financial objectives.	The objectives were met at 100%
Continuously support cost management improvements through effective internal accounting controls.	The objectives were met at 100%
Develop a compelling vision for organizational effectiveness that will build a strong team of highly-experienced operators that will capitalize on the capabilities of TransForce to respond to a turbulent economic environment.	The objectives were met at 100%

Executive Vice-President & CFO

Corporate metrics ⁽¹⁾	Target objectives in \$000's ⁽²⁾	Achievement in 2015 ⁽³⁾
Operating Earnings	328,729	TransForce met 98.6% its target Operating Earnings objectives

(1) Excluding rig moving services' results.

(2) The Executive Vice-President and CFO is not eligible for over-achievement performance payment and at least 95% of each objective is required for full performance payment.

(3) Results exclude significant acquisitions and rig moving services but include Waste Management segment's activities, which were presented as a discontinued operation in the consolidated financial statements for the fiscal year ended December 31, 2015.

Executive Vice-President & CFO	Metrics (Business Unit)	Objectives in \$000's	Main segment of activity ⁽¹⁾	Achievement in 2015 ⁽²⁾
Gregory W. Rumble	Operating Earnings	67,019	Specialized Truckload	Objectives met at 91%

(1) This is the main segment of activity. However, not all divisions within a segment of activity are within the scope of the Executive Vice-President and CFO.

(2) Full payment was guaranteed for 2015.

Other NEOs

NEOs	Metrics	Objectives in \$000's	Main segment of activity ⁽¹⁾	Achievement in 2015
Brian Kohut	Operating Earnings	75,321	Package and Courier (Canada)	Objectives met at 99%
Robert O'Reilly	Operating Earnings	41,931	Less-Than-Truckload	Objectives met at 31% ⁽²⁾
Jean-François Dodier	Operating Earnings	16,468	Truckload	Objectives met at 144%

(1) These are the main segment of activities of the respective NEOs. However, not all divisions within a segment of activity are within the scope of the respective NEOs.

(2) Although the target has not been achieved, the Board approved a special payment of \$28,000.

2.3.3 Long-Term Incentive Plans

Long-Term Incentive Policy

In 2014, the HRCC reviewed its long-term incentive policy. As a result, the HRCC decided to modify the Corporation's policy based on the following principles and features:

- (a) 50% of the long-term incentives will remain in the form of annual stock option grants;
- (b) 50% will be in the form of Performance Contingent Restricted Share Unit ("PCRSUs") annual awards, the value of which track the value of the Corporation's shares; and
- (c) All grants or awards of both types of long-term incentive vehicles will be contingent upon meeting the following performance condition at the time of grant or award:
 - Earnings Before Interest and Taxes ("EBIT") of the Corporation.

The performance grid is presented in the following table:

Stock Options and PCRSUs granted by level of performance	
Level of attainment of EBIT objective in relation to target	Percentage of Stock Options and PCRSUs granted or awarded in relation to target grant or award
Below 80%	25%
Between 80% and 90%	Between 60% and 90%
Between 90% and 100%	Between 90% and 100%
Between 100% and 110%	Between 100% and 110%
Above 110%	125%

Determination of grant and award sizes for 2015

The following table sets out the level of attainment of the performance measure for purposes of the 2015 grant:

Financial Indicators	Target Objective in \$000's ⁽¹⁾	Achievement in \$000's	Level of attainment of target	Percentage of LTI to be granted or awarded as percentage of target
EBIT ⁽²⁾	295,377	290,767	98.4%	98.4%

(1) The financial objective was measured over a reference period from July 1, 2014 to June 30, 2015.

(2) Include discontinued operations.

Performance Contingent Restricted Share Units

On July 24, 2014, the Board of Directors established the Performance Contingent Restricted Share Unit Plan for officers and employees of the Corporation and its subsidiaries (the "PCRSU Plan"). The following is a description of certain features of the PCRSU Plan:

- (a) the Board of Directors of the Corporation may from time-to-time by resolution award PCRSUs to officers and/or employees of the Corporation and its subsidiaries;
- (b) the maximum period during which a PCRSU may be vested is three years from the date on which it is awarded;
- (c) during the three-year term, the Corporation, as determined by the Board, may credit to the participant's name an additional fraction of a PCRSU with identical terms and conditions, at the same time as dividends are paid to holders of shares of the Corporation, the aggregate amount which the participant would have received as dividends if the participant had held a number of shares of the Corporation equal to the number of share units credited to the participant's account;

- (d) PCRSUs awarded under the PCRSU Plan are not transferable other than by will or by the laws of succession of the domicile of a deceased PCRSU participant;
- (e) no PCRSU awarded under the PCRSU Plan can be pledged, charged, transferred, assigned or otherwise encumbered or disposed of, on pain of nullity;
- (f) if a PCRSU participant's employment with the Corporation is terminated for cause or the participant resigns from his/her employment, any PCRSU not vested prior to the time of delivery by the Corporation to such PCRSU participant of a letter of termination of employment with the Corporation shall immediately lapse and become null and void upon such delivery;
- (g) if a PCRSU participant takes a normal retirement (as defined in the Plan), the PCRSUs held by the participant shall be adjusted proportionally to the number of days worked during the period that begins on the date of the award set out in the Notice of Award and which ends of the applicable Deemed Date of Termination, by multiplying the number of PCRSUs held by the Participant by a fraction, the numerator of which is the number of days elapsed from the date of the award to the Deemed Date of Termination and the denominator of which is 1,095. The resulting number of adjusted PCRSUs shall be the number of PCRSUs that shall be redeemed on the applicable Deemed Date of Termination and all other PCRSUs become null and void;
- (h) if a PCRSU participant dies or becomes, in the determination of the Board of Directors, permanently disabled, while employed by the Corporation, the PCRSUs held by the participant shall be adjusted proportionally to the number of days worked during the period that begins on the date of the award set out in the Notice of Award and which ends of the applicable Deemed Date of Termination, by multiplying the number of PCRSUs held by the Participant by a fraction, the numerator of which is the number of days elapsed from the date of the award to the Deemed Date of Termination and the denominator of which is 1,095. The resulting number of adjusted shall will be the number of PCRSUs that shall be redeemed on the applicable Deemed Date of Termination and all other PCRSUs become null and void;
- (i) upon a PCRSU participant's employment or office with the Corporation terminating or ending otherwise than by reason of retirement, death, permanent disability, resignation or termination for serious reason, the PCRSUs held by the participant shall be adjusted proportionally to the number of days worked during the period that begins on the date of the award set out in the Notice of Award and which ends of the applicable Deemed Date of Termination, by multiplying the number of PCRSUs held by the Participant by a fraction, the numerator of which is the number of days elapsed from the date of the award to the Deemed Date of Termination and the denominator of which is 1,095. The resulting number of adjusted PCRSUs shall be the number of PCRSUs that shall be redeemed on the applicable Deemed Date of Termination and all other PCRSUs become null and void;
- (j) PCRSUs awarded pursuant to the PCRSU Plan are redeemed in "stock bought in the open market" less required statutory deductions;
- (k) in the event of any reorganization, change in the number of issued and outstanding shares by reason of any stock dividend, stock split, reverse stock split, recapitalization, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made by the HRCC, by adjusting (i) the kind of shares deliverable under the Plan, (ii) the number and/or kind of shares underlying outstanding PCRSUs, (iii) the factors and manner in which the settlement amount of a PCRSU is to be determined, or (iv) any other term or condition of the PCRSUs. Such adjustment shall be final and binding on all parties;
- (l) if within twelve months of a change of control, (i) a participant's employment with the Corporation is terminated without cause; or (ii) a participant voluntarily terminates his or her employment following a change in the participant's position, conditions or location of employment, or responsibilities, then in such event all of the participant's unvested PCRSUs shall vest on the last day of active employment of the participant, notwithstanding the provisions of paragraphs (f), (g), (h) and (i) above. The redemption price of each PCRSU shall correspond to the volume weighted average price for the five trading days preceding such last day of active employment and the Corporation shall make payment to the participant in accordance with the rules of the PCRSU Plan, as adjusted. However, if a Participant maintains employment in a position equivalent to the position he or she held before the change of control, the vesting of the PCRSUs shall follow its normal course in accordance with the PCRSU Plan; and

- (m) the Board of Directors of the Corporation may make the following types of amendments to the PCRSU Plan without seeking approval from the shareholders of the Corporation: (i) amendments of a “housekeeping” or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the PCRSU Plan or to correct or supplement any provision of the PCRSU Plan that is inconsistent with any other provision of the PCRSU Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary in order for PCRSUs to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the PCRSU Plan; (v) any amendment to the “vesting” provisions of the PCRSU Plan or any PCRSU; (vi) any amendment to the early termination provisions of the PCRSU Plan or any PCRSU, whether or not such PCRSU is held by an “insider” of the Corporation, provided such amendment does not entail an extension beyond the original expiry date; (vii) the addition or modification of the redemption feature, payable in shares of the Corporation bought in the market; (viii) amendments necessary to suspend or terminate the PCRSU Plan; and (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

2012 Stock Option Plan

On April 26, 2012, the Board of Directors of the Corporation established the 2012 Stock Option Plan for officers and employees of the Corporation and its subsidiaries (the “**2012 Plan**”). The shareholders of the Corporation approved the 2012 Plan on April 26, 2013. The 2012 Plan incorporates amendments adopted by the Board of Directors on February 28, 2013, and July 24, 2014, respectively.

The 2012 Plan replaces the 2008 Stock Option Plan of the Corporation, in that no further stock options will be granted under the 2008 Plan. The following is a description of certain features of the 2012 Plan, as required by the TSX:

- (a) the Board of Directors of the Corporation may from time-to-time by resolution grant options to purchase common shares to officers and/or employees of the Corporation and its subsidiaries, provided that the total number of shares to be issued under the 2012 Plan does not exceed the number set out in paragraph (b) below. Options may be granted by the Corporation only pursuant to resolutions of the Board of Directors;
- (b) the maximum number of common shares that can be issued upon the exercise of options granted under the 2012 Plan is 5,979,201, representing 6.1% of the issued and outstanding shares of the Corporation as of the close of business on March 16, 2016;
- (c) no option may be granted under the 2012 Plan to any optionee unless the aggregate number of common shares: (i) issued to “insiders” within any one-year period; and (ii) issuable to “insiders” at any time, under the 2012 Plan, or when combined with all of the Corporation’s other security-based compensation arrangements, could not exceed 10% of the total number of issued and outstanding common shares of the Corporation. For the purpose of the 2012 Plan, the term “insider” means “reporting insiders” as defined in National Instrument – 55-104 *Insider Reporting Requirements and Exemptions*;
- (d) no single person can hold at any time options covering more than 5% of the number of issued and outstanding shares of the Corporation from time-to-time. In addition, it will not be permitted to issue to an “insider” or to any associate of an “insider”, within a one-year period, upon the exercise of options granted pursuant to the 2012 Plan, a number of shares exceeding 5% of the number of issued and outstanding shares of the Corporation from time-to-time;
- (e) the exercise price of options granted under the 2012 Plan is fixed by the Board of Directors at the time of the grant of the options, but cannot be less than the volume weighted average trading price of the common shares of the Corporation on the TSX for the last five days on which the common shares traded on the TSX immediately prior to the day on which the option is granted;
- (f) the maximum period during which an option may be exercised is seven years from the date on which it is granted, subject to the condition that if an option is to expire during a period when the optionee is prohibited by the Corporation from trading in the shares of the Corporation pursuant to its rules of conduct and other policies, or within ten business days of the expiry of such “blackout period”, the term of such option will be automatically extended for a period of ten business days immediately following the end of the “blackout period”;
- (g) at the time of granting an option, the Board of Directors, at its discretion, may set a “vesting schedule”, that is, one or more dates from which an option may be exercised in whole or in part;

- (h) options granted under the 2012 Plan are not transferable other than by will or by the laws of succession of the domicile of a deceased optionee;
- (i) no option granted under the 2012 Plan can be pledged, charged, transferred, assigned or otherwise encumbered or disposed of, on pain of nullity;
- (j) if an optionee's employment with the Corporation is terminated for serious reason, any option not exercised prior to the time of delivery by the Corporation to such optionee of a letter of termination of employment with the Corporation shall immediately lapse and become null and void upon such delivery;
- (k) if an optionee takes a normal retirement (as defined in the Plan), the optionee shall be entitled to exercise his rights under such option and continue benefiting from his rights during the three years following the commencement of his retirement or prior, until the expiration of the term of the option, whichever occurs earlier. At the end of such three-year period, the option term shall be deemed to have lapsed;
- (l) if an optionee takes early retirement (as defined in the Plan), dies or becomes, in the determination of the Board of Directors, permanently disabled, while employed by the Corporation, any "vested" option or unexercised part thereof granted to such optionee may be exercised by the optionee or the person to whom the option is transferred by will or the laws of succession and distribution only for that number of common shares which the optionee was entitled to acquire under the option at the time of his retirement, death or permanent disability, as the case may be. Any such "vested" option may be exercised within one year after the optionee's retirement, death or permanent disability, as the case may be, or prior to the expiry of the term of the option, whichever occurs earlier. Any "unvested" options at the time of retirement will become null and void upon retirement, death or permanent disability;
- (m) upon an optionee's employment or office with the Corporation terminating or ending otherwise than by reason of retirement, death, permanent disability or termination for serious reason, any option or unexercised part thereof granted to such optionee may be exercised by the optionee only for that number of common shares which the optionee was entitled to acquire under the option at the time of delivery by the Corporation to the optionee of a letter of termination of the optionee's employment or office with the Corporation. Any such "vested" option may be exercised within 30 days after such delivery or prior to the expiry of the term of the option, whichever occurs earlier;
- (n) the 2012 Plan does not provide for financial assistance from the Corporation to option holders;
- (o) options granted under the 2012 Plan may be exercised by the "cash exercise" or "cashless exercise" method. An optionee may use the "cash exercise" method in respect of certain shares subject to an option and simultaneously use the "cashless exercise" method in respect of other shares subject to the same option;
- (p) under the "cash exercise" method, an option granted under the 2012 Plan may be exercised by the optionee (or his personal representatives or legatees) giving notice in writing to the Secretary of the Corporation at its head office, which notice must specify the method of exercise and the number of shares in respect of which the option is being exercised and which must be accompanied by full payment, by cash or certified cheque, of the purchase price for the number of shares specified. Upon such exercise of the option, subject to paragraph (r) below, the Corporation will forthwith cause the transfer agent and registrar of its common shares to deliver to the optionee (or his personal representatives or legatees) a certificate in the name of the optionee representing in the aggregate such number of shares as the optionee (or his personal representatives or legatees) shall have then paid for and as are specified in such written notice of exercise of option;
- (q) under the "cashless exercise" method, an option granted under the 2012 Plan may be exercised by the optionee (or his personal representatives or legatees) giving notice in writing to the Secretary of the Corporation at its head office, which notice must specify the method of exercise and the number of shares in respect of which the option is being exercised and which must be accompanied by full payment, by cash or certified cheque, of the purchase price for the number of shares specified. Upon such exercise of the option, subject to paragraph (r) below, the Corporation will forthwith cause the sale of the number of shares in respect of which the option is being exercised directly on the open market. The proceeds from the sale of the shares will be used first to pay any commissions or fees in connection with such sale and, upon written instructions from the optionee, to repay any loan incurred by the optionee in connection with the exercise of the option, as the case may be. The balance of the proceeds will be paid to the optionee;

- (r) if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee must, concurrently with the exercise of the option:
 - (i) pay to the Corporation, in addition to the exercise price for the options, sufficient cash as is determined by the Corporation, in its sole discretion, to be the amount necessary to fund the required tax remittance;
 - (ii) authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, in its sole discretion, such portion of the common shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or
 - (iii) make other arrangements acceptable to the Corporation, in its sole discretion, to fund the required tax remittance;
- (s) in the event that the Corporation proposes to amalgamate or merge with another company (other than a wholly-owned subsidiary of the Corporation), or to liquidate, dissolve or wind-up, or in the event that an offer to purchase common shares of the Corporation is made to all shareholders of the Corporation, other than the offeror or offerors, the Corporation has the right, upon written notice to each optionee holding options under the 2012 Plan, to permit the exercise of all options outstanding under the 2012 Plan within a 20-day period following the date of such notice and to determine that upon the expiry of such 20-day period, all options terminate and cease to have effect;
- (t) if within twelve months of a change of control (as defined below), (i) an optionee's employment with the Corporation is terminated without cause; or (ii) an optionee voluntarily terminates his or her employment following a change in the optionee's position, conditions or location of employment, or responsibilities, then in any such event all of the optionee's unvested options shall vest on the last day of active employment of the optionee and shall be exercisable within 30 days after the last day of active employment or prior to the expiration of the term of the option, whichever occurs earlier. However, if an optionee maintains employment in a position equivalent to the position he or she held before the change of control, the vesting of the options shall follow its normal course in accordance with the 2012 Plan. For the purpose of this paragraph, "change of control" means the occurrence of any of the following events: (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a person that is at arm's length from the Corporation, such that, for greater certainty, an internal reorganization shall not constitute a change of control; (ii) a merger, reorganization or other similar transaction pursuant to which the holders of the Corporation's outstanding voting rights immediately prior to such transaction do not own a majority of the outstanding voting rights of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, or (iii) any person or a group of persons acting jointly or in concert becoming the beneficial owner, directly or indirectly, of shares carrying at least a majority of the outstanding voting rights of the Corporation;
- (u) approval by the shareholders of the Corporation is required for the following amendments to the 2012 Plan: (i) amendments to the number of shares issuable under the 2012 Plan, including an increase to a maximum percentage or number of shares; (ii) any amendment to the 2012 Plan that increases the length of the "blackout" extension period; (iii) any amendment which reduces the exercise price or purchase price of an option, whether or not such option is held by an "insider" of the Corporation; (iv) any amendment extending the term of an option beyond its original expiry date, whether or not such option is held by an "insider" of the Corporation, except as otherwise permitted by the 2012 Plan; and (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX); and
- (v) the Board of Directors of the Corporation may make the following types of amendments to the 2012 Plan without seeking approval from the shareholders of the Corporation: (i) amendments of a "housekeeping" or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the 2012 Plan or to correct or supplement any provision of the 2012 Plan that is inconsistent with any other provision of the 2012 Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the 2012 Plan; (v) any amendment to the "vesting" provisions of the 2012 Plan or any option; (vi) any amendment to the early termination provisions of the 2012 Plan or any option, whether or not such option is held by an "insider" of the Corporation, provided such amendment does not entail an extension beyond the original expiry date; (vii) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of eligible participants of

shares under the 2012 Plan, and the subsequent amendment of any such provisions; (viii) the addition or modification of a cashless exercise feature, payable in cash or shares of the Corporation; (ix) amendments necessary to suspend or terminate the 2012 Plan; and (x) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

2008 Stock Option Plan

On May 12, 2008, the Board of Directors established the 2008 Stock Option Plan (the “**2008 Plan**”) for officers and employees of the Corporation and its subsidiaries. The shareholders of the Corporation approved the 2008 Plan on April 24, 2009. The 2008 Plan incorporates amendments adopted by the Board of Directors on April 24, 2009, July 22, 2009, August 19, 2009, December 8, 2010 and May 17, 2011, respectively.

On April 26, 2012, the Board of Directors adopted the 2012 Plan, in replacement of the 2008 Plan. Since April 26, 2012, all stock options granted by the Corporation have been granted under the 2012 Plan and no further stock options have been or will be granted under the 2008 Plan. The 2008 Plan continues to apply to the options currently outstanding thereunder and such options continue to be exercised in accordance with the 2008 Plan.

The purpose of the 2008 Plan is to provide officers and employees with a proprietary interest through the granting of non-transferable options to purchase common shares of the Corporation and also to attract, retain and motivate key employees who share primary responsibility for the management, growth and protection of the Corporation’s business.

The following is a description of certain features of the 2008 Plan, as required by the TSX:

- (a) the 2008 Plan is administered by the Board of Directors of the Corporation, which delegates this responsibility to the HRCC;
- (b) the maximum number of common shares that can be issued pursuant to the 2008 Plan is equal to 10% of the number of issued and outstanding shares of the Corporation from time to time. Shares in respect of which options are not exercised, due to the expiration, termination or lapse of such options, are available for options to be granted thereafter;
- (c) no option may be granted to any optionee under the 2008 Plan unless the aggregate of the shares: (i) issued to “insiders” within any one-year period; and (ii) issuable to “insiders” at any time, under the 2008 Plan, or when combined with all of the Corporation’s other security-based compensation arrangements, could not exceed 10% of the total number of issued and outstanding common shares of the Corporation. For the purpose of the 2008 Plan, the term “insider” has the same meaning as in the *Securities Act* (Ontario);
- (d) a single person cannot hold at any time options in respect of more than 5% of the number of issued and outstanding shares of the Corporation from time-to-time. In addition, the 2008 Plan does not permit the issuance to an “insider” or to any associate of an “insider”, within a one-year period, of a number of shares exceeding 5% of the number of issued and outstanding shares of the Corporation from time-to-time;
- (e) the option exercise price is fixed by the Board of Directors of the Corporation at the time of granting an option. The exercise price cannot be less than the volume weighted average trading price of the common shares of the Corporation on the TSX during the last five days on which the shares traded on the TSX immediately prior to the day on which the option is granted;
- (f) at the time of granting an option, the Board of Directors, at its discretion, may set a “vesting schedule”, that is, one or more dates from which an option may be exercised in whole or in part. In such event, the Board of Directors is not under any obligation to set a “vesting schedule” in respect of any other option granted under the 2008 Plan;
- (g) the term of an option may not exceed seven years from the date the option is granted. However, if an option is to expire during a period in which an optionee is prohibited by the Corporation from trading in the Corporation’s shares pursuant to the policies of the Corporation, or within ten business days of the expiry of such “blackout period”, the term of such option will be automatically extended for a period of ten business days immediately following the end of the “blackout period”;

- (h) if an optionee's employment with the Corporation is terminated for serious reason, any option not exercised prior to the time of delivery by the Corporation to the optionee of a letter of termination of employment with the Corporation shall immediately lapse and become null and void upon such delivery;
- (i) if an optionee takes normal retirement (as defined in the 2008 Plan), the optionee will be entitled to exercise his rights under such option and continue benefiting from his rights during the three years following the commencement of his retirement or prior, until the expiration of the term of the option, whichever occurs earlier. At the end of such three-year period, the option term shall be deemed to have lapsed. If an optionee takes early retirement (as defined in the 2008 Plan), dies or becomes, in the determination of the Board of Directors, permanently disabled, while employed by the Corporation, any option or unexercised part thereof granted to such optionee may be exercised by the optionee or the person to whom the option is transferred by will or the laws of succession and distribution only for that number of shares which he was entitled to acquire under the option at the time of his retirement, death or permanent disability, as the case may be. Any such "vested" option shall be exercisable within one year after the optionee's retirement, death or permanent disability, as the case may be, or prior to the expiration of the term of the option, whichever occurs earlier;
- (j) upon an optionee's employment or office with the Corporation terminating or ending otherwise than by reason of retirement, death, permanent disability or termination for serious reason, any option or unexercised part thereof granted to such optionee may be exercised by him only for that number of shares which he was entitled to acquire under the option at the time of delivery by the Corporation to the optionee of a letter of termination of the optionee's employment or office with the Corporation. Any such "vested" option shall be exercisable within 30 days after such delivery or prior to the expiration of the term of the option, whichever occurs earlier;
- (k) any option granted under the 2008 Plan shall not form part of an optionee's compensation from the Corporation for purposes of determining any severance payment, indemnity in lieu of reasonable notice, or other payment to the optionee in the event of termination of the optionee's employment or office by the Corporation;
- (l) if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee must, concurrently with the exercise of the option:
 - (i) pay to the Corporation, in addition to the exercise price for the options, sufficient cash as is determined by the Corporation, in its sole discretion, to be the amount necessary to fund the required tax remittance;
 - (ii) authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, in its sole discretion, such portion of the Shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or
 - (iii) make other arrangements acceptable to the Corporation, in its sole discretion, to fund the required tax remittance.
- (m) options may be exercised through the "cash exercise" or "cashless exercise" method, or a combination of these two methods. There is no financial assistance available to optionees under the 2008 Plan;
- (n) the Board of Directors may make the following types of amendments to the 2008 Plan without seeking shareholder approval: (i) amendments of a "housekeeping" or ministerial nature, including any amendment for the purpose of remedying any ambiguity, error or omission in the 2008 Plan or to correct or supplement any provision of the 2008 Plan that is inconsistent with any other provision of the 2008 Plan; (ii) amendments necessary to comply with the provisions of applicable law (including the rules, regulations and policies of the TSX); (iii) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the 2008 Plan; (v) any amendment to the "vesting" provisions of the 2008 Plan or any option, it being understood that in the event of the amendment to the "vesting" provisions of an option, the Board of Directors will not be under any obligation to amend the "vesting" provisions of any other option; (vi) any amendment to the early termination provisions of the 2008 Plan or any option, whether or not such option is held by an "insider", provided such amendment does not entail an extension beyond the original expiry date; (vii) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of eligible participants of shares under the 2008 Plan, and the subsequent amendment of any such provisions; (viii) amendments necessary to

suspend or terminate the 2008 Plan; and (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law;

- (o) shareholder approval will be required for the following types of amendments: (i) amendments to the number of shares issuable under the 2008 Plan, including an increase to a maximum percentage or number of shares; (ii) any amendment to the 2008 Plan that increases the length of a “blackout extension period”; (iii) any amendment which reduces the exercise price or purchase price of an option, whether or not such option is held by an “insider”; (iv) any amendment extending the term of an option held by an “insider” beyond its original expiry date, except as otherwise permitted by the 2008 Plan; and (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

No further stock options can be granted under the 2008 Plan.

The following table sets out the guideline LTI award, the target number of options and/or PCRSUs that can be granted or awarded and the number of actual stock options granted and PCRSUs awarded to NEOs under the 2015 grant:

Name	Guideline LTI award (% of base salary)	Target grant of options (#) ⁽¹⁾ (50% of the guideline)	Actual option grant (#) ⁽²⁾⁽⁴⁾	Target award of PCRSUs award (#) ⁽¹⁾ (50% of the guideline)	Actual Award of PCRSUs (#) ⁽³⁾
Alain Bédard	200%	340,674	335,356	52,748	51,924
Gregory W. Rumble ⁽⁵⁾	90%	34,974	34,428	5,415	5,331
Brian Kohut	90%	49,547	48,773	7,671	7,552
Robert O'Reilly	90%	46,632	45,904	7,220	7,108
Jean-François Dodier	90%	42,552	41,888	6,588	6,486

(1) Target number of stock options and PCRSUs that can be awarded in 2015 if the target financial objective is fully met.

(2) Option grant size =
$$\frac{\text{Average Base Salary} \times \text{LTI guideline level} \times 50\% \times \text{Performance Factor}}{\text{Reference grant price} \times \text{Black-Scholes valuation ratio}}$$

(3) PCRSU award size =
$$\frac{\text{Average Base Salary} \times \text{LTI guideline level} \times 50\% \times \text{Performance Factor}}{\text{Reference grant price}}$$

(4) For the 2015 stock option grants, a Black-Scholes valuation ratio of 15.5% and a reference grant price of \$24.93 were used. The reference grant price is based on the volume weighted average trading price of the common shares of the Corporation on the TSX for the last five days on which the shares traded on the TSX immediately prior to the day on which the option is granted.

(5) Mr. Rumble received awards based on the period from January to June 2015.

Stock Options Issued and Outstanding

In 2015, stock options in respect of a total of 915,485 common shares with an exercise price of \$24.93 were granted on July 23, 2015 to a total of 55 optionees, representing 0.9% of the issued and outstanding common shares at December 31, 2015.

The table below sets out the number of options granted, outstanding and available for grant under the 2012 Plan and 2008 Plan, as at December 31, 2015:

Measure of Dilution	# of options			Total % of shares outstanding
	2008 Stock Option Plan	2012 Stock Option Plan	Total	
<i>Options outstanding</i> the total number of options outstanding at the end of the year, including the annual grant	1,998,494	2,935,428	4,933,922	5.1%
<i>Options available for grant</i> the number of options in reserve that are available for grant at the end of the year	0 ⁽¹⁾	2,822,529	2,822,529	2.9%
<i>Overhang</i> the number of options outstanding plus the number of options in reserve that are available for grant in the future	1,998,494	5,757,957	7,756,451	7.9%

⁽¹⁾ As indicated in the Section entitled “2008 Stock Option Plan”, stock options currently outstanding under the 2008 Plan may continue to be exercised in accordance with the 2008 Plan. However, no further stock options have been or will be granted under the 2008 Plan and all stock options granted by the Corporation since April 26, 2012 have been granted under the 2012 Plan.

2.4 Executive Stockholding Policy

Effective January 1, 2014, executive officers, including NEOs, are required to maintain stock ownership levels that meet or exceed the following guidelines:

- Chief Executive Officer: 5.0 X annual base salary
- Executive Vice-Presidents: 2.0 X annual base salary
- All Other Designated Executives: 0.5 X annual base salary

NEOs must retain at least 100% of Gain Shares (as this term is defined below) resulting from the exercise of stock options until the stock ownership requirement is met. “**Gain Shares**” means the net number of shares left subsequent to the sale of shares used for payment of the options being exercised and of any tax withholding obligations.

NEOs who were subject to the original “Executive Stock Holding Policy” effective January 1, 2011 are required to meet the required level of stock ownership applicable to their position within two years from the Effective Date. New NEOs designated on or after the Effective Date will have five years from the date of designation to meet the required level of stock ownership.

The following types of equity instruments are included in determining stock ownership for purposes of this policy:

- (a) For at least 50% of the targeted ownership requirement:
 - shares, directly owned by the NEO or owned jointly with an immediate family member residing in the same household;
 - shares indirectly owned by the NEO, through an holding company in which the Designated Executive directly or indirectly owns shares;
 - shares held in trust for the benefit of the NEO or jointly with an immediate family member of the NEO.
- (b) For the other 50% of the targeted ownership requirement:
 - 75% of the in-the-money value of vested but unexercised stock options;
 - 50% of unvested share units.

Unvested stock options are not eligible in determining stock ownership for purposes of this policy.

The following table sets out the minimum share ownership requirement of each NEO and related information:

Name	Minimum ownership requirement ⁽¹⁾ (\$)	Date for compliance	Common shares ⁽²⁾		Other equity instruments ⁽³⁾		Value of total holdings as at December 31, 2015 (\$)	Compliant as at December 31, 2015
			Value as at December 31, 2015 (\$)	Minimum ownership reached (at least 50% of requirement)	Value as at December 31, 2015 (\$)	Minimum ownership reached (maximum 50% of requirement)		
Alain Bédard	6,575,000 ⁽⁴⁾	January 1, 2016	99,954,091	Yes	19,961,900	Yes	119,915,991	Yes
Gregory W. Rumble	1,200,000 ⁽⁵⁾	January 1, 2020	531,225	In progress	63,351	In progress	594,576	In progress
Brian Kohut	850,000 ⁽⁵⁾	January 1, 2016	355,850	In progress	1,550,461	Yes	1,906,311	In progress
Robert O'Reilly	800,000 ⁽⁵⁾	January 1, 2016	689,860	Yes	1,541,939	Yes	2,231,799	Yes
Jean-François Dodier	670,000 ⁽⁵⁾	January 1, 2016	73,828	In progress	1,404,412	Yes	1,478,240	In progress

(1) Includes shares, 100% of DSUs, 50% of unvested PCRSUs and 75% of in-the-money value of vested but unexercised stock options.

(2) Includes shares and 100% of DSUs.

(3) Includes 50% of unvested PCRSUs and 75% of in-the-money value of vested but unexercised stock options.

(4) Five times annual base salary as at December 31, 2015.

(5) Two times annual base salary as at December 31, 2015.

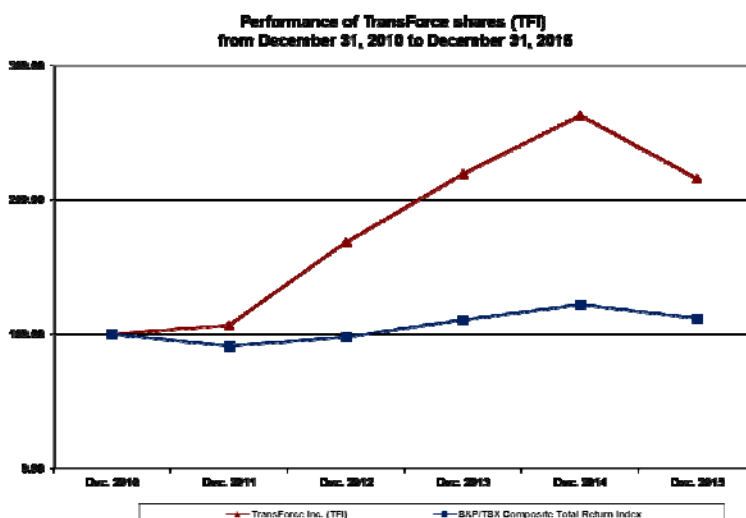
2.5 Rules of conduct of insiders respecting trading of securities of the Corporation

The Rules of Conduct of the Corporation provide that executives may trade in the Corporation's shares only within predetermined trading periods and may not trade in the Corporation's shares if they are aware of undisclosed material information. Executives are also instructed to avoid frequent trading in a way which arouses suspicion that speculation is taking place, and to obtain the approval of the Corporation before trading in the Corporation's securities in all circumstances.

While the Corporation does not have a policy specifically prohibiting the purchase of financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors, to the knowledge of the Corporation, none of the NEOs or directors has purchased such financial instruments.

2.6 Performance Graph

The following graph compares the total return of a \$100 investment in the common shares of the Corporation made on December 31, 2010 with the cumulative return of the S&P TSX Capped Equity Index for the period ended December 31, 2015.



2.7 Trend and NEO Compensation Relative to Total Shareholder Return

The trend in the compensation of the NEOs has to some extent followed, although is less pronounced than, the trend of increasing Total Shareholder Return over the last five years as per the table below:

Financial year ended December 31	2011	2012	2013	2014	2015
Variation in total compensation for all NEOs ⁽¹⁾ (in percentage)	14%	31%	-22%	31%	33% ⁽²⁾
Total Shareholder Return (in percentage)	7%	57%	30%	19%	-18%

- (1) Variation in total compensation is calculated based on the NEO's aggregate compensation as disclosed in the Corporation's management proxy circulars.
(2) Increase due to new Executive Vice-President/CFO compensation.

2.8 Cost of Management Ratio

The following table sets out the total cost of compensation to the NEOs expressed as a percentage of EBIT and as a percentage of the Corporation's equity market capitalization for the fiscal years ended December 31, 2015, 2014 and 2013:

Financial year ended December 31	Total cost of compensation to NEOs (\$)	Total cost of compensation to NEOs/ EBIT ⁽¹⁾ (%)	Total cost of compensation to NEOs/ Total equity market capitalization (%)
2015	12,158,449 ⁽²⁾	4.4	0.5
2014	9,496,284	4.2	0.3
2013	7,323,129	4.1	0.3

- (1) EBIT from continuing operations
(2) Increase due to new Executive Vice-President/CFO compensation.

3.0 Summary Compensation Table

The following table sets out all annual and long-term compensation earned by the NEOs for services rendered in all capacities to the Corporation and its subsidiaries during the fiscal years ended December 31, 2015, 2014 and 2013:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Alain Bédard President and CEO	2015	1,315,000	1,294,465	1,295,866	2,630,000	—	1,170,900	114,371 ⁽⁴⁾	7,820,602
	2014	1,050,000	824,240	824,250	2,089,500	—	306,000	1,673,869 ⁽⁵⁾	6,767,859
	2013	1,050,000	—	1,973,846	1,386,000	—	341,900	141,873 ⁽⁶⁾	4,893,619
Gregory W. Rumble ⁽²⁾ Executive Vice-President and CFO	2015	600,000	132,902	133,035	400,000	—	—	58,743 ⁽⁴⁾	1,324,680
Alain Raquepas ⁽³⁾ CFO	2015	92,884 ^(3.1)	—	—	—	—	—	331,298 ⁽⁴⁾	424,182
	2014	175,000	—	—	—	—	—	17,103 ⁽⁵⁾	192,103
Brian Kohut Executive Vice-President	2015	425,000	188,271	188,466	318,750	—	12,685	38,827 ⁽⁴⁾	1,171,999
	2014	395,833	132,463	132,469	264,063	—	12,465	22,291 ⁽⁵⁾	959,584
	2013	350,000	—	249,223	210,000	—	12,135	21,141 ⁽⁶⁾	842,499
Robert O'Reilly Executive Vice-President	2015	400,000	177,202	177,380	84,000	—	12,685	38,373 ⁽⁴⁾	889,640
	2014	370,833	123,639	123,638	143,500	—	12,465	22,074 ⁽⁵⁾	796,148
	2013	300,000	—	182,589	36,000	—	12,135	20,821 ⁽⁶⁾	551,544
Jean-François Dodier Executive Vice-President	2015	365,000	161,696	161,862	219,000	—	—	37,970 ⁽⁴⁾	945,528
	2014	335,000	105,186	105,190	201,000	—	—	34,215 ⁽⁵⁾	780,591
	2013	300,000	—	184,687	90,900	—	—	32,973 ⁽⁶⁾	608,561

- (1) Options were issued pursuant to the 2012 Plan (see section 2.3.3 above for more details on the 2012 Plan). Option-based awards have been valued using the Black-Scholes option valuation methodology, which was selected by the Corporation as it is the most widely-adopted and used option-valuation method. The following table sets out the assumptions used to determine the Black-Scholes value for years 2015, 2014 and 2013.

	2015	2014	2013
Risk-free interest rate	0.73%	1.69%	1.65%
Stock volatility	24.85%	26.88%	36.97%
Expected option life	4.5 years	4.5 years	4.5 years
Expected dividend yield	2.68%	2.36%	2.51%

- (2) Mr. Rumble was appointed as Executive Vice-President and CFO of the Corporation on May 1, 2015.
- (3) Mr. Raquepas joined the Corporation on July 7, 2014. Mr. Raquepas' annualized salary for 2014 and 2015 was \$350,000. On March 2, 2015, the Corporation announced the departure of Mr. Raquepas as CFO. Alain Bédard acted as CFO until the appointment of Gregory W. Rumble on May 1, 2015.
- (3.1) Includes two weeks in lieu of notice and accrued vacation.
- (4) In 2015, Mr. Bédard received \$33,523 for long-term disability insurance premiums, \$24,000 for an annual car allowance and \$25,281 for sport club membership. Mr. Rumble received a car allowance of \$19,200 and a contribution of \$16,465 to a Registered Retirement Savings Plan ("RRSP"). In 2015 Mr. Raquepas received a car allowance of \$2,000, a contribution of \$3,029 to a DPSP and an amount of \$325,000 in connection with his departure. Mr. Kohut received an annual car allowance of \$13,200. Mr. O'Reilly received an annual car allowance of \$13,200. Mr. Dodier received an annual car allowance of \$13,200 and a contribution of \$12,685 to a Deferred Profit Sharing Plan ("DPSP").
- (5) In 2014, Mr. Bédard's compensation for his role as member of the Board of Directors was \$79,850. Mr. Bédard did not receive additional compensation for his role as Chairman of the Board of Directors. He also received \$33,523 for long-term disability insurance premiums, \$24,000 for an annual car allowance and \$23,000 for sport club memberships. In addition, the HRCC awarded Mr. Bédard a special bonus in the amount of \$1,500,000, in recognition of his achievements in 2014. From July 7, 2014, to December 31, 2014, Mr. Raquepas received a car allowance of \$6,000 and a contribution of \$6,731 to a DPSP. Mr. Kohut received an annual car allowance of \$13,200. Mr. O'Reilly received an annual car allowance of \$13,200. Mr. Dodier received an annual car allowance of \$13,200 and a contribution of \$12,465 to a DPSP.
- (6) In 2013, Mr. Bédard's compensation for his role as member of the Board of Directors was \$77,700. Mr. Bédard did not receive additional compensation for his role as Chairman of the Board of Directors. He also received \$33,523 for long-term disability insurance premiums and \$24,000 for an annual car allowance. Mr. Kohut received an annual car allowance of \$13,200. Mr. O'Reilly received an annual car allowance of \$13,200. Mr. Dodier received an annual car allowance of \$13,200 and a contribution of \$12,135 to a DPSP.

4.0 Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out information with respect to all unexercised option-based and share-based awards granted to NEOs outstanding as at December 31, 2015:

Name	Option-based awards Date of grant	Share-based awards							
		Number of securities underlying		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
		Total granted options ⁽¹⁾ (#)	Unexercised options (#)						
Alain Bédard	July 31, 2009	922,000	600,000	6.32	July 31, 2019	10,374,000	—	—	—
	July 29, 2010	496,800	496,800	9.46	July 29, 2020	7,029,720	—	—	—
	August 1, 2011	383,100	383,100	14.28	August 1, 2018	3,574,323	—	—	—
	July 26, 2012	418,600	418,600	16.46	July 26, 2019	2,992,990	—	—	—
	July 25, 2013	376,200	376,200	20.18	July 25, 2020	1,290,366	—	—	—
	July 24, 2014	172,560	172,560	25.14	July 24, 2021	—	33,783	797,617	—
	July 23, 2015	335,356	335,356	24.93	July 23, 2022	—	52,270	1,234,084	—
Gregory W. Rumble ⁽⁴⁾	July 23, 2015	34,428	34,428	24.93	July 23, 2022	—	5,366	126,703	—
Alain Raquepas ⁽⁵⁾	—	—	—	—	—	—	—	—	—
Brian Kohut	July 31, 2009	63,200	26,367	6.32	July 31, 2019	455,885	—	—	—
	July 29, 2010	37,200	37,200	9.46	July 29, 2020	526,380	—	—	—
	August 1, 2011	36,000	36,000	14.28	August 1, 2018	335,880	—	—	—
	July 26, 2012	53,300	53,300	16.46	July 26, 2019	381,095	—	—	—
	July 25, 2013	47,500	47,500	20.18	July 25, 2020	162,925	—	—	—
	July 24, 2014	27,733	27,733	25.14	July 24, 2021	—	5,429	128,184	—
	July 23, 2015	48,773	48,773	24.93	July 23, 2022	—	7,602	179,489	—

Robert O'Reilly	July 31, 2009	58,400	39,400	6.32	July 31, 2019	681,226	—	—	—
	July 29, 2010	33,700	33,700	9.46	July 29, 2020	476,855	—	—	—
	August 1, 2011	32,700	32,700	14.28	August 1, 2018	305,091	—	—	—
	July 26, 2012	39,300	39,300	16.46	July 26, 2019	280,995	—	—	—
	July 25, 2013	34,800	34,800	20.18	July 25, 2020	119,364	—	—	—
	July 24, 2014	25,884	25,884	25.14	July 24, 2021	—	5,068	119,645	—
	July 23, 2015	45,904	45,904	24.93	July 23, 2022	—	7,155	168,937	—
Jean-François Dodier	July 31, 2009	38,600	38,600	6.32	July 31, 2019	667,394	—	—	—
	July 29, 2010	22,500	22,500	9.46	July 29, 2020	318,375	—	—	—
	August 1, 2011	33,700	33,700	14.28	August 1, 2018	314,421	—	—	—
	July 26, 2012	39,300	39,300	16.46	July 26, 2019	280,995	—	—	—
	July 25, 2013	35,200	35,200	20.18	July 25, 2020	120,736	—	—	—
	July 24, 2014	22,022	22,022	25.14	July 24, 2021	—	4,311	101,788	—
	July 23, 2015	41,888	41,888	24.93	July 23, 2022	—	6,529	154,154	—

- (1) The “vesting schedule” for these options provides that one-third of the options will vest on each of the first three anniversaries following the date of grant.
(2) This amount is calculated based on the difference between the closing price of the Corporation’s shares on the TSX on December 31, 2015 (\$23.61) and the option exercise price.
(3) The value of PCRSUs awarded to the NEOs is based on the closing price of the Corporation’s shares on the TSX on December 31, 2015 (\$23.61), multiplied by the number of PCRSUs awarded.
(4) Mr. Rumble was appointed as Executive Vice-President and CFO of the Corporation on May 1, 2015.
(5) On March 2, 2015, the Corporation announced the departure of Mr. Raquepas as CFO of the Corporation.

Incentive plan awards – value vested or earned during the year

The following table sets out the value of options vested or bonus earned by NEOs during the fiscal year ended December 31, 2015:

Name	Option based awards – Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽¹⁾ (\$)
Alain Bédard	1,246,011	—	2,630,000
Gregory W. Rumble ⁽²⁾	—	—	400,000
Alain Raquepas ⁽³⁾	—	—	—
Brian Kohut	165,552	—	318,750
Robert O'Reilly	128,784	—	84,000
Jean-François Dodier	124,325	—	219,000

- (1) These amounts represent amounts earned under the STIP.
(2) Mr. Rumble was appointed as Executive Vice-President and CFO of the Corporation on May 1, 2015.
(3) On March 2, 2015, TransForce announced the departure of Mr. Raquepas as CFO.

5.0 Pension Plan Benefits

5.1 Defined Benefit Plan

Chief Executive Officer of the Corporation

Alain Bédard participates in a non-contributory defined benefit pension plan. In addition, Mr. Bédard has entered into a supplementary executive retirement agreement (“SERP”) whereby he receives one year of pensionable service under his SERP for every year he serves as an officer of the Corporation, one of its subsidiaries or an associated company as of January 1, 2004. In addition, service for the period between January 1, 1997 and January 1, 2004 has been recognized as credited past service under the SERP.

Retirement eligibility is a function of Mr. Bédard's age and service. The Board may credit additional years of service towards retirement eligibility, pension benefit calculation or both, through a special arrangement. Mr. Bédard is eligible to receive SERP benefits as of age 55.

Pension benefits are calculated based on pensionable service and pensionable earnings. Pensionable earnings include salary. The annual average of Mr. Bédard's best consecutive 36 months of pensionable earnings is used to calculate his pension.

Mr. Bédard will receive 3% of his average pensionable earnings for each year of pensionable service as his total pension benefit under the pension plan and SERP. The pension is payable for life. A surviving spouse will receive 60% of the pension that is payable to Mr. Bédard. Should Mr. Bédard elect to retire before his normal retirement age of 65, his pension will be reduced by 3% for each year by which his retirement age precedes age 65.

Based on current final average earnings and projected pensionable service, the estimated annual pension benefits payable to Mr. Bédard under the pension plan and SERP are as set out in the following table:

Pension Plan Table

	<u>(at age 63)</u>	<u>(at age 64)</u>	<u>(at age 65)</u>
Years of Pensionable Service	19.333	20.333	21.333
Pension Plan	\$35,642	\$38,532	\$41,422
SERP	\$584,967	\$635,009	\$687,100
Total	\$620,609	\$673,541	\$728,522

The following table sets out a reconciliation of the accrued obligation in respect of pension arrangements applicable to Mr. Bédard, from December 31, 2014 to December 31, 2015, as well as his number of years of pensionable service as at December 31, 2015:

Name and principal position	Number of years of pensionable service (#)	Annual pension benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Alain Bédard President and CEO	19	603,431	728,522	8,499,500	1,170,900	413,300	10,083,700

Additional information with respect to the valuation method and assumptions used to calculate the accrued obligation at year end is presented in the notes to the Corporation's consolidated financial statements for the fiscal year ended December 31, 2015.

5.2 Defined Contribution Plan

In 2015, Brian Kohut and Robert O'Reilly participated in a Defined Contribution Plan to which the Corporation contributes. The Corporation will match Mr. Kohut's and Mr. O'Reilly's contributions up to a level of 5% of their base salary. In 2015, Mr. Kohut received contributions of \$12,685 to his Defined Contribution Plan and Mr. O'Reilly received contributions of \$12,685 to his Defined Contribution Plan. All contributions in a year are limited (in aggregate) to the tax-deductible defined contribution limit under the *Income Tax Act* (Canada) for that year. The investment of the contributions to the Plan is participant-directed with an array of investment options provided. Vesting of the Corporation's contributions is immediate and, at retirement, the accumulated value of the account may either be transferred to a locked-in retirement vehicle or used to purchase a life annuity. The following table sets out the value accumulated under the Defined Contribution Plan applicable to Mr. Kohut and Mr. O'Reilly from December 31, 2014 to December 31, 2015:

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Brian Kohut	422,645	12,685	484,225
Robert O'Reilly	562,374	12,685	609,209

5.3 *Registered Retirement Savings Plan*

In 2015, Jean-François Dodier participated in a Registered Retirement Savings Plan to which the Corporation contributes via a DPSP. Under the DPSP, the Corporation will match the NEO's contributions up to a level of 5% of the NEO's base salary. NEOs can also make supplementary individual contributions. The Corporation ensures that the limits established by the Canada Revenue Agency are not exceeded. In 2015, Mr. Dodier received an annual contribution of \$12,685 to his DPSP.

In 2015, Mr. Rumble received an amount of \$16,465 for purposes of contribution to his RRSP.

6.0 **Termination of Employment and Change of Control**

As at December 31, 2015, except for the President and CEO, there is no contract, arrangement or any other understanding with respect to employment, termination of employment, a change of control or a change in responsibilities following a change of control, between the Corporation and any of the NEOs.

Alain Bédard, President and CEO

On March 2, 2015, the HRCC adopted an agreement between the Corporation and Alain Bédard, President and CEO of the Corporation, with respect to a change of control of the Corporation. Under the terms of this agreement, a change of control is defined as a (i) merger, reorganization, arrangement, as a result of or following which any person beneficially owns or exercises control or direction over voting securities carrying at least 35% of the votes attached to all voting securities of the Corporation then outstanding; (ii) any event as a result of or following which any person beneficially owns or exercises control or direction over voting securities carrying at least 20% of the votes attached to all voting securities of the Corporation then outstanding and a change in the composition of the Board such that, at any time within two years following the occurrence of any event described in clause (ii), individuals who are members of the Board immediately prior to such event cease to constitute a majority of the Board; or (iii) the sale in one transaction or a series of related transactions, to a person who is not affiliated with the Corporation within the meaning of the *Canada Business Corporations Act*, of assets, at a price, including the assumption by that person of any debt of the Corporation, which is greater than or equal to 50% of the market capitalization of the Corporation. For greater certainty, an internal reorganization does not constitute a change of control. The agreement is a "double trigger" agreement, which requires both a change of control and the involuntary termination of employment of the CEO as of or within two years of the date of any such change of control.

Within ten days of an involuntary termination of Mr. Bédard following a change of control, Mr. Bédard is entitled to: (i) an amount equal to two times his annual base salary immediately prior to the date of the change of control or the involuntary termination, whichever is greater, (ii) an amount equal to two times the annual bonus, which will be determined based on the greater of (a) the average three highest annual amounts of annual bonus compensation paid to Mr. Bédard during the last five calendar years prior to the calendar year in which the involuntary termination occurs, or (b) the amount of the base target bonus compensation most recently communicated in writing to the Mr. Bédard as being payable, (iii) an amount equal to two times the annual cash value paid or reimbursed to Mr. Bédard as benefits, including but not limited to health benefits, sport club memberships, professional association fees, car allowance, annual executive medical examinations and any other particular benefit provided to Mr. Bédard, but excluding pension and supplementary pension benefits, as provided to Mr. Bédard immediately prior to the date of the change of control; (iv) an amount equal to two times Mr. Bédard's annual pension value immediately prior to the date of the change of control or the involuntary termination, whichever is greater. Furthermore, if (a) there is a change of control which does not trigger the change of control provision of the Corporation's stock option plans, and (b) Mr. Bédard holds any options pursuant to the Corporation's stock option plans that have not otherwise vested, the Corporation will waive the vesting requirements of any such options so as to permit the immediate vesting of all such options within a period of time to be determined by the Board, but which shall not be more than three months. If (a) there is a change of control which does not trigger the change of control provision of the Corporation's Deferred Share Unit Plan or PCRSU Plan, and (b) to the extent Mr. Bédard holds any DSUs or PCRSUs granted under any of the Corporation's long-term incentive plans that have not otherwise vested, the Board and Mr. Bédard undertake to waive the vesting requirements of such DSUs and PCRSUs so as to permit their immediate vesting as of the date of Mr. Bédard's involuntary termination.

Mr. Bédard has agreed not to, either during his employment or for a period of 18 months following the termination of his employment, for any reason, directly or indirectly, induce or attempt to induce any of the employees of the Corporation or any of its subsidiaries to leave their employment. In addition, Mr. Bédard has agreed not to, either during his employment or for a period of 18 months following the termination of his employment, for any reason, directly or indirectly, without the consent of the Corporation, which consent shall not be unreasonably withheld, contact or solicit any clients of the Corporation or any of its subsidiaries for the purpose of selling to those customers any products or services which are the same as or substantially similar

to, or in any way competitive with, the products or services sold by the Corporation or any of its subsidiaries at the time of the Mr. Bédard's termination. Furthermore, Mr. Bédard has agreed not to, either during his employment or anytime thereafter, directly or indirectly, use or disclose to any person any confidential information, unless however, the confidential information is available to the public or in the public domain at the time disclosure or the disclosure of the confidential information is required by any law, regulation, governmental body or authority or by court order.

The following table sets out the estimated incremental payments that Mr. Bédard would have received upon termination of employment following a change of control on December 31, 2015:

Name	Event	Salary (\$)	Annual incentive plan (\$)	Benefits and pension value (\$)	Long-Term Incentive Plans			Total (\$)
					Stock Options (\$)	PCRSUs (\$)	DSUs (\$)	
Alain Bédard	Change of control	2,630,000	5,260,000	1,128,662	25,261,399	2,031,702	388,125	36,699,888

COMPENSATION OF DIRECTORS

The Corporation believes that an efficient Board of Directors plays an important role in creating shareholder value. The Corporation has placed emphasis on the compensation of directors, in order to attract and retain qualified candidates to serve on the Board of Directors and to align the interests of the directors with those of the Corporation's shareholders. The following table sets out the various components of the compensation received by the members of the Board of Directors during the fiscal year ended December 31, 2015:

Type of Fee	Amount (\$)
Annual Retainers	
• Chairman of the Board of Directors ⁽¹⁾	—
• Board Members (including Lead Director)	100,000
• Additional fee for Lead Director	50,000
• Committee Chairman	12,000
• Committee Members (other than the Committee Chairman)	5,000
Per-meeting Fees	
• Committee Chairman	1,500 ⁽²⁾⁽³⁾
• Board and Committee Members (other than the Committee Chairman)	1,500 ⁽³⁾

(1) The Chairman of the Board of Directors does not receive any additional fees for his role as Chairman.

(2) The Committee Chairmen received the same per-meeting fee as other directors and committee members, respectively.

(3) This amount applies for meetings attended in person. The per-meeting fee is \$850 if the director or committee member participates by telephone.

In 2015, Alain Bédard did not receive any compensation, including any annual retainer or per-meeting fee, for his role as Chairman of the Board of Directors or as a director.

Deferred Share Unit Plan

Effective January 1, 2009, the Corporation adopted the Deferred Share Unit Plan (the “**DSU Plan**”) to align the interests of directors with those of the Corporation's shareholders and help directors meet the shareholding policy applicable to them, as described below under “Ownership Requirements for Directors”. Under the DSU Plan, directors may elect to receive in the form of DSUs either 50% or 100% of their annual retainer and other fees payable in respect of serving as director. Until the shareholding policy requirement for a director is met, a 100% election is mandatory.

Under the DSU Plan, directors are granted, as of the last day of each of the Corporation's fiscal quarters, a number of DSUs determined on the basis of the amount of deferred remuneration payable to directors in respect of such quarter divided by the “Fair Market Value” of a DSU, which is the average of the closing prices of the common shares of the Corporation on the TSX for the five trading days immediately preceding the last day of such quarter. Directors to whose accounts DSUs are

credited receive additional DSUs whenever cash dividends are paid on the Corporation's common shares. DSUs granted under the DSU Plan are redeemable, and the value thereof payable, only after the holder of DSUs ceases to serve as a director of the Corporation. Subject to Board of Directors' approval, a director may elect to receive the redemption price of his credited DSUs in cash or in the form of common shares of the Corporation purchased on the open market.

The table below sets out in detail the total compensation earned by the directors during the fiscal year ended December 31, 2015.

Name	Retainer ⁽²⁾ (\$)	Fees earned (\$)	Total Compensation (\$)	Percentage elected as DSUs (%)	Number of DSUs earned
Alain Bédard ⁽¹⁾	—	—	—	—	—
André Bérard	160,000	15,850	175,850	100	8,304
Lucien Bouchard	105,000	13,700	118,700	100	5,394
Stanley G. Dunford	75,000	4,700	79,700	100	3,215
Richard Guay	117,000	21,400	138,400	50	3,403
Annie Lo	105,000	16,250	121,250	100	4,469
Neil D. Manning	112,000	13,700	125,700	100	4,849
Ronald D. Rogers	112,000	16,250	128,250	100	5,358
Joey Saputo	105,000	13,050	118,050	100	4,732
Total	943,500	114,900	1,058,400		40,091

(1) In 2015, Alain Bédard, President and CEO of the Corporation, did not receive any compensation, including any annual retainer or per-meeting fee, for his role as Chairman of the Board of Directors or as a director.

(2) Includes all annual retainers for serving on the Board and its committees.

Ownership Requirements for Directors

Effective January 1, 2009, the Corporation adopted a minimum shareholding policy, to require directors to hold a minimum value in common shares of the Corporation or DSUs, or a combination of both. Through this policy, the directors are motivated to help the Corporation reach its annual-return objectives and improve long-term value for shareholders.

Under the policy as initially adopted, each director was required to hold shares with a minimum value equal to two times the amount of the director's annual Board retainer fees and were required to attain compliance within three years. With each increase in the amount of the annual Board retainer, directors were required to attain the applicable increased minimum share ownership value within two years from the date of such increase.

Each new director must meet the applicable minimum share ownership value requirement within four years from the date of becoming a member of the Board.

The minimum shareholding policy was amended effective February 27, 2011, requiring each director to hold shares with a minimum value equal to five times the director's annual Board retainer fees. Directors were given two years from such date to meet the new minimum share ownership value level.

Until a director has attained the minimum share ownership value, 100% of director's fees must be paid in the form of DSUs. Once the necessary level has been attained, a director may elect to receive only 50% of director's fees in the form of DSUs.

Directors must keep at least 50% of their shares for a period of six months following the termination of service as a director.

The following table sets out the current share ownership value requirement and share ownership value as at December 31, 2015 for directors:

Name	Share ownership requirement (\$)	Date for compliance	Value as of December 31, 2015 ⁽¹⁾ (\$)	Compliance as of December 31, 2015
Alain Bédard	350,000	December 5, 2014	101,985,779 ⁽²⁾	Yes
André Bérard	350,000	December 5, 2014	3,015,280	Yes
Lucien Bouchard	350,000	December 5, 2014	1,090,050	Yes
Stanley G. Dunford	350,000	April 22, 2019	75,906	No ⁽³⁾
Richard Guay	350,000	December 5, 2014	1,214,403	Yes
Annie Lo	350,000	April 24, 2018	176,201	No ⁽⁴⁾
Neil D. Manning	350,000	April 25, 2017	661,268	Yes
Ronald D. Rogers	350,000	December 5, 2014	1,298,691	Yes
Joey Saputo	350,000	December 5, 2014	5,643,309	Yes

- (1) Value calculated based on the closing price of the Corporation's common shares on the TSX on December 31, 2015 (\$23.61) and including value of DSUs held.
- (2) Stock options held by Mr. Bédard are not included for the purpose of determining share ownership value.
- (3) Stanley G. Dunford was elected as a director on April 22, 2015 and consequently had until April 22, 2019 to meet the minimum share ownership requirement. Mr. Dunford is not standing for re-election as a director at the Meeting.
- (4) Annie Lo was elected as a director on April 24, 2014 and consequently has until April 24, 2018 to meet the minimum share ownership requirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information regarding the Corporation's shares reserved as of December 31, 2015 for purposes of equity compensation:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	4,933,922	\$16.67	2,822,529
Equity compensation plans not approved by security holders	—	—	—
Total	4,933,922	\$16.67	2,822,529

The Corporation does not have any equity compensation plans under which equity securities are authorized for issuance, not previously approved by shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at March 16, 2016, none of the directors, executive officers, employees or former directors, executive officers or employees of the Corporation or any of its subsidiaries was indebted to the Corporation or a subsidiary of the Corporation in connection with a purchase of securities or for any other matter nor was any such person indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

During the fiscal year ended December 31, 2015, none of the directors or executive officers of the Corporation, proposed nominees for election as a director, or any associate of the foregoing was indebted to the Corporation or any subsidiary of the Corporation nor was any such person indebted to any other entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No executive officer, director of the Corporation or any subsidiary of the Corporation, person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, person proposed for election as a director, or any associate or affiliate of the foregoing had a material interest in any material transaction effected by the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed material transaction.

AUDIT COMMITTEE INFORMATION

Reference is made to the section entitled "Audit Committee" of the Corporation's 2015 Annual Information Form for required disclosure relating to the Audit Committee of the Board of Directors. The 2015 Annual Information Form is available under the Corporation's profile on SEDAR at www.sedar.com and may also be obtained by contacting the Secretary of the Corporation at 8801 Trans-Canada Highway, Suite 500, Saint-Laurent, Québec H4S 1Z6, telephone (514) 331-4000.

APPOINTMENT OF AUDITOR

KPMG LLP, Chartered Professional Accountants, have been the auditor of the Corporation or its predecessors since 2003. **Except where authorization to vote with respect to the appointment of the auditor is withheld, the persons named in the accompanying form of proxy intend to vote at the Meeting for the appointment of KPMG LLP, Chartered Professional Accountants, as the auditor of the Corporation until the next annual meeting of shareholders and at such remuneration as may be set by the directors.**

CONFIRMATION OF AMENDMENTS TO BY-LAWS

Payment of Dividends by Electronic Means

Section 65 of By-Law No. 1 of the Corporation initially provided that dividends declared by the Corporation shall be paid by cheque. At a meeting held on December 10, 2015, the Board of Directors adopted a resolution amending section 65 of By-Law No. 1 so as to allow the payment of dividends by electronic means. The Board of Directors adopted the amendment to facilitate the payment of dividends to shareholders.

Section 65 of By-Law No. 1, as so amended, reads as follows:

"65. Dividend Cheques – A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed to such registered holder at his recorded address, unless such holder otherwise directs, or by electronic means. In the case of the joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. Such electronic payment or the mailing of such cheque as aforesaid, unless the same is not paid on du presentation, shall satisfy and discharge the liability of the Corporation for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold."

Accordingly, at the Meeting, shareholders will be asked to approve a resolution in the form annexed hereto as Schedule A (the "**Dividend Payment Resolution**"), confirming the foregoing amendment to By-Law No. 1 adopted by the Board of Directors on December 10, 2015. In order to be adopted, the Dividend Payment Resolution must be approved by a majority of the votes cast by the holders of the common shares of the Corporation, either present in person or represented by proxy at the Meeting. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the Dividend Payment Resolution.**

Retirement Age of Directors

Section 7 of By-Law No. 1 of the Corporation initially provided that no person could be elected to the Board of Directors of the Corporation if he had attained the age of 75 prior to the date of election. At a meeting held on December 10, 2015, the Board of Directors adopted a resolution amending section 7 of By-Law No. 1 so as to change the foregoing reference from the age of 75 to the age of 80 and granting the Board of Directors the authority to waive the retirement age by one-year

increments if determined by the Board to be in the interests of the Corporation. The Board of Directors adopted the amendment in order to provide for continuity on the Board of Directors and to allow the Corporation to benefit from the extensive experience of certain directors.

Section 7 of By-Law No. 1, as so amended, reads as follows:

“7. Retirement Age – No person shall be elected a director if he has attained the age of eighty (80) years prior to the date of the meeting at which an election of directors is to take place, provided however that a director who has been elected prior to his attaining the age of eighty (80) years may complete his term in office. Furthermore, this provision shall not apply to those persons who were members of the Board immediately prior to the adoption of the present by-law and who, at the date of such adoption, had attained the age of eighty (80) years. Notwithstanding the foregoing, the Board may waive the foregoing retirement age in one-year increments as regards a candidate for election as director if the Board determines it is in the interests of the Corporation to do so.”

Accordingly, at the Meeting, shareholders will be asked to approve a resolution in the form annexed hereto as Schedule B (the **“Retirement Age Resolution”**), confirming the foregoing amendment to By-Law No. 1 adopted by the Board of Directors on December 10, 2015. In order to be adopted, the Retirement Age Resolution must be approved by a majority of the votes cast by the holders of the common shares of the Corporation, either present in person or represented by proxy at the Meeting. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the Retirement Age Resolution.**

SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* (the **“CBCA”**) provides that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a **“Proposal”**) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The CBCA further provides that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated March 16, 2016, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is December 16, 2016.

The foregoing is a summary only. Shareholders should carefully review the provisions of the CBCA relating to Proposals and consult with a legal advisor.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer such as the Corporation must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

The Corporation was constituted under the laws of Canada. At present, nine individuals serve as directors of the Corporation. If the persons named under “Board of Directors Renewal and Director Selection – Nominees for Election as Director” above are elected, there will be nine individuals serving as directors of the Corporation.

1. Board of Directors

The Board considers that André Bérard, Lucien Bouchard, Richard Guay, Annie Lo, Neil D. Manning, Ronald D. Rogers and Joey Saputo are independent within the meaning of National Instrument 52-110 *Audit Committees*.

The Board of Directors considers that Alain Bédard is not independent within the meaning of National Instrument 52-110 *Audit Committees* in that he is the President and CEO of the Corporation.

The Board of Directors considers that Stanley G. Dunford is not independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* in that he is the former CEO of Contrans Group Inc., a company acquired by the Corporation in 2014.

Seven of the nine members of the Board of Directors are independent within the meaning of National Instrument 52-110 *Audit Committees*. Accordingly, a majority of the directors on the Board of Directors is independent.

In the event Scott Arves is elected to the Board of Directors at the Meeting, the Board of Directors considers that he will not be independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*, in that Mr. Arves is the former CEO of Transport Corporation of America, Inc., a company acquired by TransForce in 2014.

If the persons named under “Board of Directors Renewal and Director Selection – Nominees for Election as Director” above are elected, seven of the nine members of the Board of Directors will be independent within the meaning of National Instrument 52-110 *Audit Committees*. Accordingly, a majority of the directors on the Board of Directors will be independent.

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
André Bérard	BMTC Group Inc.
Lucien Bouchard	BMTC Group Inc.
Ronald D. Rogers	Parkland Fuel Corporation
Neil D. Manning	Coleridge Holdings Ltd. Vwest Inc.
Annie Lo	Quintiles Inc.

The independent members of the Board of Directors meet at least on a quarterly basis without non-independent members of the Board of Directors or members of management present. In 2015, the independent members of the Board of Directors held five meetings at which non-independent members of the Board of Directors and members of management were not present.

Alain Bédard, the Chairman of the Board of Directors, is not an independent director. The Board of Directors has appointed André Bérard as “lead director” of the Board. The Board of Directors considers that André Bérard is independent within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

As lead director of the Board of Directors, Mr. Bérard provides leadership in ensuring the effectiveness of the Board of Directors and is responsible for: (i) ensuring committees of the Board of Directors function appropriately; (ii) chairing meetings of the independent members of the Board of Directors; (iii) chairing meetings of the Board of Directors when Alain Bédard, the Chairman of the Board of Directors, is absent; and (iv) ensuring that the Board of Directors functions independently of management.

In 2015, there were seven Board meetings, four HRCC meetings, three CGNC meetings and six Audit Committee meetings. Attendance of members of the Board at the meetings is set out in the table on page 16 of this Circular.

2. Board Mandate

The Charter of the Board of Directors is incorporated by reference in this Circular and is available under the Corporation’s profile on SEDAR at www.sedar.com.

The Board of Directors has adopted a policy regarding majority voting for the election of directors. The policy is described on page 4 of this Circular.

3. Position Description

The Board of Directors has developed a written position description for the Chairman of the Board of Directors.

The primary role and responsibility of the chair of each committee of the Board of Directors is to: (i) in general, ensure that the committee fulfills its mandate, as determined by the Board of Directors; (ii) chair meetings of the committee; (iii) report thereon to the Board of Directors; and (iv) act as liaison between the committee and the Board of Directors and, if necessary, management of the Corporation.

The Board of Directors and the President and CEO have developed a written position description for the President and CEO.

The primary role and responsibility of the President and CEO is to (i) direct, supervise, coordinate and assume overall management responsibility for all areas of the Corporation's businesses, and have full profit and loss responsibility for the Corporation; (ii) be responsible for developing the strategic direction for the business, evaluating alternative market strategies, identifying competitive issues, capitalizing on the core strengths of the enterprise, and developing and implementing operating plans to achieve the organization's objectives; (iii) represent the Corporation, as appropriate, in its relationships with major customers, suppliers, the banking and financial community, and the public to promote a positive image in the industry and to promote business growth and success; (iv) motivate, measure, coach and mentor the management staff and employee base to ensure optimum operating performance; and (v) work closely with the Board to keep it informed and enable it to render effective counsel to ensure long-term success.

4. Orientation and Continuing Education

The Corporation provides new members of the Board of Directors with an appropriate orientation and company package and has adopted a New Director Training and Development Program.

Members of executive management regularly meet with the directors at Board meetings to familiarize the Board of Directors with the Corporation's business issues and opportunities. They offer high-level presentations to the directors about their respective businesses. Occasionally, Board meetings are held at operating sites of the Corporation's various divisions and the directors are offered guided tours of the sites.

Board members are welcome to attend conferences, seminars and training on relevant topics in view of individual development and education as well as improvement of Board effectiveness.

On an annual basis, the Board of Directors is surveyed to determine the knowledge of its members on various matters. The Corporation provides training to the Board of Directors on new developments in the law and corporate governance.

5. Ethical Business Conduct

The Board of Directors has adopted a Code of Ethics for the Corporation, a copy of which is sent to all employees of the Corporation and its subsidiaries. The Code of Ethics is available under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.transforcecompany.com.

The CGNC ensures that a copy of the Code of Ethics is sent to all new employees. On an annual basis, the CGNC questions management as to how the Code of Ethics has been applied. In particular, the CGNC determines whether there have been derogations from the Code of Ethics and, if so, the circumstances and details thereof.

There are no material change reports filed since the beginning of TransForce's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code of Ethics.

Since the beginning of TransForce's most recently completed financial year, it has not entered into any transactions or agreements in respect of which a member of the Board of Directors or an executive officer of the Corporation had a material interest. If such a transaction or agreement arises, the member of the Board of Directors who has a

material interest therein will not participate in meetings of the Board of Directors at which the transaction or agreement is considered.

In addition to the measures set out above, the Board of Directors has adopted “Rules of Conduct of Insiders Respecting Trading of Securities of TransForce Inc.”. The Rules of Conduct apply to the members of the Board of Directors and to senior executives of the Corporation and its major subsidiaries. Approximately 50 people are subject to the Rules of Conduct. The Rules of Conduct provide for “blackout” periods during which trading in the securities of the Corporation is not permitted, and require that prior approval for trading in securities of the Corporation be obtained from either the President and CEO or the Secretary of the Corporation.

The Corporation has adopted a Disclosure Policy, applicable to the Board of Directors and to all executive officers and employees of the Corporation and its subsidiaries, intended to ensure compliance by the Corporation with legal disclosure requirements and good corporate governance.

In 2012, the Corporation also adopted a Privacy Policy intended to protect the privacy of all information related to employees, directors, officers, agents, independent contractors, consultants, advisors, suppliers and customers of the Corporation and its subsidiaries.

6. Nomination of Directors

The CGNC is responsible for recommending candidates for election, filling vacancies on the Board of Directors and assessing the performance of the Board of Directors. The Board of Directors also uses the services of recruitment firms in order to identify potential new members of the Board of Directors.

The responsibilities, powers and operations of the CGNC are set out in its charter, which is incorporated by reference in this Circular and available under the Corporation’s profile on SEDAR at www.sedar.com. The CGNC is composed exclusively of independent directors.

7. Compensation

The CGNC is mandated to review and recommend to the Board of Directors for approval the compensation of the directors of the Corporation. The review is done on an annual basis in light of market conditions and, if appropriate, adjustments are made to the level of compensation of the directors at the beginning of each year.

The role of the HRCC is to monitor and assess the performance of the NEOs and determine their compensation levels on an annual basis. Further information is provided under the section “Executive Compensation – Compensation Discussion and Analysis” above.

The Board of Directors adopted a shareholding policy for directors under which the directors were originally required to own a minimum number of common shares of the Corporation equivalent in value to twice their annual retainer as Board members. This policy was amended a first time to increase the minimum shareholding to three times the annual retainer of the Board members and a second time to increase such minimum to five times the annual retainer of the Board members. The directors have a period of four years from the later of (i) January 1, 2007 or (ii) the date of their appointment to comply with the original minimum shareholding requirement, and a period of two years from the date of any increase in the annual retainer fees or in the minimum value required to comply with any increase to the minimum requirement.

The Board of Directors adopted a shareholding policy for NEOs under which the NEOs must own a minimum number of common shares of the Corporation equivalent in value to: (i) three times annual salary for the CEO; and (ii) one time annual salary for the other NEOs. NEOs have a period of five years from the later of January 1, 2010 or the date of appointment to comply with such policy.

The responsibilities, powers and operations of the HRCC are set out in its charter, which is incorporated by reference in this Circular and available under the Corporation’s profile on SEDAR at www.sedar.com. The HRCC which is composed exclusively of independent directors.

The Corporation has used Willis Towers Watson to provide advice on various executive compensation matters.

Further information is provided under the section entitled “Executive Compensation – Compensation Discussion and Analysis” above.

8. Other Board Committees

There are no committees of the Board other than the: (i) Audit Committee; (ii) HRCC; and (iii) CGNC.

9. Assessments

Each member of the Board of Directors completes a questionnaire on an annual basis assessing the effectiveness of the Board of Directors. The completed questionnaires are analyzed by the Secretary of the Corporation, who reports to the Chairman of the CGNC. In particular, if two or more members of the Board of Directors express the same concern, it is reported to the Chair of the CGNC and addressed at the next meeting of the CGNC. If necessary, the concern is also addressed at the next meeting of the Board of Directors.

10. Director Term Limits and Other Mechanisms of Board Renewal

If the Retirement Age Resolution is adopted by shareholders at the Meeting, no director will be elected if he or she has attained the age of 80, subject to the right of the Board of Directors to waive the foregoing retirement age in one-year increments as regards a candidate for election if the Board determines it is in the interests of the Corporation to do so. The Corporation has considered but has not adopted other term limits for directors or other formal mechanisms of Board renewal. This topic is assessed and discussed yearly by the CGNC when evaluating the Corporation’s corporate governance practices compared to best practices.

11. Policies Regarding the Representation of Women on the Board

The Corporation has not adopted a written policy relating to the identification and nomination of women directors. Despite not having a formal policy, diversity, including gender, is an important component of the selection process for new Board members. The Board considers the presence of men and women on the Board as an added value.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

The representation of women on the Board is one of the factors taken into consideration by the CGNC in the selection process for new Board members. This consideration is assessed yearly by the CGNC when evaluating the Corporation’s corporate governance practices compared to best practices. The CGNC has emphasized recruiting women in recent years in the mandates it has given to search firms and by identifying candidates who are women in its selection process. In 2014, a woman was elected to the Board, representing 11.1% of the Board composition.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

The Corporation gives consideration to gender diversity in its executive-officer appointment process. The Corporation considers the presence of men and women on its executive team as an added value. At present, 23.5% of the Corporation’s executive officers, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, are women.

14. Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a “target” regarding women on the Board of Directors or in executive officer positions. The term “target” is defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* as, in effect, a number or percentage, or a range of numbers or percentages, adopted by the Corporation of women on the Board of Directors or in executive officer positions of the Corporation by a specific date. Although the Corporation has not adopted a target for the number of women on the Board of Directors or in executive officer positions, it has always supported and continues to pursue its efforts to promote female representation, as evidenced by the percentages set out in sections 12 and 13 above. In its work related to the composition of the Board of Directors, representation of women on the Board is one of the factors taken into consideration by the CGNC.

15. Number of Women on the Board and in Executive Officer Positions

Of the nine members of the Board of Directors of the Corporation, one (11.1%) is a woman.

Of the 17 executive officers of the Corporation, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, four (23.5%) are women.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (i) any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, (ii) any nominee for election as director of the Corporation, or (iii) any associate or affiliate of the persons listed in (i) and (ii), in any matter to be acted upon at the Meeting, other than the confirmation of the amendment to section 7 of By-Law No. 1 of the Corporation regarding the retirement age of directors, which, if not confirmed by shareholders at the Meeting, would render ineligible for re-election two current directors of the Corporation.

OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting of Shareholders. However, if any other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

ADDITIONAL INFORMATION

The Corporation's financial information is included in its consolidated financial statements, the notes thereto and Management's Discussion and Analysis for the financial year ended December 31, 2015. Copies of the foregoing documents and additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com and may also be obtained upon request to the Secretary of the Corporation at its head office, 8801 Trans-Canada Highway, Suite 500, Saint-Laurent, Québec H4S 1Z6, telephone (514) 331-4000.

AUTHORIZATION

The contents and the mailing of this Circular have been approved by the Board of Directors of the Corporation.

(signed) Alain Bédard

Alain Bédard, FCPA, FCA
President and Chief Executive Officer
TransForce Inc.

Signed in Toronto, Ontario
March 16, 2016

SCHEDULE A

SHAREHOLDERS' RESOLUTION

CONFIRMATION OF AMENDMENT TO BY-LAWS – PAYMENT OF DIVIDENDS BY ELECTRONIC MEANS

WHEREAS section 65 of By-Law No. 1 of the Corporation provided that dividends payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares in respect of which it has been declared, and mailed to such registered holder at his recorded address;

WHEREAS on December 10, 2015, the Board of Directors of the Corporation adopted a resolution amending section 65 of By-Law No. 1 by adding the words "or by electronic means" at the end of the first sentence and the words "Such electronic payment or" at the beginning of the third sentence thereof;

WHEREAS section 65 of By-Law No. 1 of the Corporation, as so amended, now reads as follows:

"65. Dividend Cheques – A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed to such registered holder at his recorded address, unless such holder otherwise directs, or by electronic means. In the case of the joint holders, the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. Such electronic payment or the mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability of the Corporation for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold."; and

WHEREAS pursuant to the *Canada Business Corporations Act*, the foregoing amendment is effective from the date of the resolution of the Board of Directors until it is confirmed, confirmed as amended or rejected by the shareholders of the Corporation;

BE AND IT IS HEREBY RESOLVED:

THAT the foregoing amendment to section 65 of By-Law No. 1 of the Corporation is hereby confirmed.

SCHEDULE B

SHAREHOLDERS' RESOLUTION

CONFIRMATION OF AMENDMENT TO BY-LAWS – MAXIMUM AGE OF DIRECTORS

WHEREAS section 7 of By-Law No. 1 of the Corporation provided that a director shall not be elected if he has attained the age of 75;

WHEREAS on December 10, 2015, the Board of Directors of the Corporation adopted a resolution amending section 7 of By-Law No. 1 by deleting the term “seventy-five (75) years” in three places therein and replacing it in each case with the term “eighty (80) years” and by adding the following sentence at the end of section 7:

“Notwithstanding the foregoing, the Board may waive the foregoing retirement age in one-year increments as regards a candidate for election as director if the Board determines it is in the interests of the Corporation to do so.”;

WHEREAS section 7 of By-Law No. 1 of the Corporation, as so amended, reads as follows:

“7. Retirement Age – No person shall be elected a director if he has attained the age of eighty (80) years prior to the date of the meeting at which an election of directors is to take place, provided however that a director who has been elected prior to his attaining the age of eighty (80) years may complete his term in office. Furthermore, this provision shall not apply to those persons who were members of the Board immediately prior to the adoption of the present by-law and who, at the date of such adoption, had attained the age of eighty (80) years. Notwithstanding the foregoing, the Board may waive the foregoing retirement age in one-year increments as regards a candidate for election as director if the Board determines it is in the interests of the Corporation to do so.”; and

WHEREAS pursuant to the *Canada Business Corporations Act*, the foregoing amendment is effective from the date of the resolution of the Board of Directors until it is confirmed, confirmed as amended or rejected by the shareholders of the Corporation;

BE AND IT IS HEREBY RESOLVED:

THAT the foregoing amendment to section 7 of By-Law No. 1 of the Corporation is hereby confirmed.