(Formerly TransForce Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fourth quarter and year ended

December 31, 2016

CONTENTS

GENERAL INFORMATION

The following is TFI International Inc.'s management discussion and analysis ("MD&A"). Throughout this MD&A, the terms "Company" and "TFI International" shall mean TFI International Inc., and shall include its independent operating subsidiaries. This MD&A provides a comparison of the Company's performance for its three-month period and year ended December 31, 2016 with the corresponding three-month period and year ended December 31, 2015 and it reviews the Company's financial position as at December 31, 2016. It also includes a discussion of the Company's affairs up to February 16, 2017. This discussion should be read in conjunction with the consolidated financial statements and accompanying notes as at and for the year ended December 31, 2016.

In this document, all financial data are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "$" and "C$", designate Canadian dollars unless otherwise indicated. Variances may exist as numbers have been rounded. This MD&A also uses non-IFRS financial measures. Refer to the section of this report entitled "Non-IFRS Financial Measures" for a complete description of these measures.

The Company's consolidated financial statements have been approved by its Board of Directors ("Board") upon recommendation of its audit committee on February 16, 2017. Prospective data, comments and analysis are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints for maintaining the confidentiality of certain information that, if published, would probably have an adverse impact on the competitive position of the Company.

Additional information relating to the Company can be found on its website at www.tfiintl.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, annual and quarterly consolidated financial statements, annual report, annual information form, management proxy circular and the various press releases issued by the Company are also available on its website or directly through the SEDAR system at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company may make statements in this report that reflect its current expectations regarding future results of operations, performance and achievements. These are "forward-looking" statements and reflect management's current beliefs. They are based on information currently available to management. Words such as "may", "could", "should", "would", "believe", "expect", "anticipate" and words and expressions of similar import are intended to identify these forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those presently anticipated or projected.

The Company wishes to caution readers not to place undue reliance on any forward-looking statements which reference issues only as of the date made. The following important factors could cause the Company's actual financial performance to differ materially from that expressed in any forward-looking statement: the highly competitive market conditions, the Company's ability to recruit, train and retain qualified drivers, fuel price variations and the Company's ability to recover these costs from its customers, foreign currency fluctuations, the impact of environmental standards and regulations, changes in governmental regulations applicable to the Company's operations, adverse weather conditions, accidents, the market for used equipment, changes in interest rates, cost of liability insurance coverage, downturns in general economic conditions affecting the Company and its customers, and credit market liquidity.

The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation subsequently to revise or update any previously made forward-looking statements unless required to do so by applicable securities laws. Unanticipated events are likely to occur. Readers should also refer to the section "Risks and Uncertainties" at the end of this MD&A for additional information on risk factors and other events that are not within the Company's control. The Company's future financial and operating results may fluctuate as a result of these and other risk factors.

SELECTED FINANCIAL DATA AND HIGHLIGHTS

(unaudited) *(in thousands of dollars, except per share data)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Revenue before fuel surcharge	**1,036,446**	938,732	**3,704,488**	3,630,863
Fuel surcharge	**101,288**	88,058	**320,720**	399,026
Total revenue	**1,137,734**	1,026,790	**4,025,208**	4,029,889
EBITDA from continuing operations[1]	**130,325**	111,804	**451,299**	452,687
Operating income	**72,099**	66,484	**258,213**	276,461
Net income	**45,339**	43,646	**639,579**	163,437
Net income from continuing operations	**46,387**	40,605	**157,059**	145,732
Adjusted net income from continuing operations[1]	**52,168**	42,885	**194,978**	185,582
Net cash flow from operating activities from continuing operations	**109,815**	136,787	**337,908**	358,845
Free cash flow from continuing operations[1]	**98,038**	125,762	**288,340**	291,518
Per share data				
EPS – diluted	**0.48**	0.44	**6.70**	1.60
EPS from continuing operations – diluted	**0.49**	0.41	**1.64**	1.43
Adjusted EPS from continuing operations – diluted[1]	**0.56**	0.43	**2.04**	1.82
Free cash flow from continuing operations[1]	**1.07**	1.29	**3.08**	2.91
Dividends	**0.19**	0.17	**0.70**	0.68
As a percentage of revenue before fuel surcharge				
EBITDA margin[1]	**12.6%**	11.9%	**12.2%**	12.5%
Depreciation of property and equipment	**4.1%**	3.5%	**3.8%**	3.6%
Amortization of intangible assets	**1.5%**	1.3%	**1.4%**	1.3%
Operating margin[1]	**7.0%**	7.1%	**7.0%**	7.6%
Adjusted operating ratio[1]	**93.0%**	92.9%	**93.0%**	92.4%

Q4 Highlights

- TFI International delivered strong Q4 results boosted by business acquisitions and existing operations. Total revenue from continuing operations increased 11%, mainly from business acquisitions, somewhat offset by freight volume decreases in existing operations. Operating income from continuing operations increased 8% on higher revenue.
- On October 27, the Company announced the acquisition of the North American truckload operation of XPO Logistics. This important transaction further reinforces TFI International as a leading player in the U.S. truckload market and expands its footprint in Mexico. Under TFI International, this operating division reverted to its former name, CFI, which was used prior to the company's acquisition by Con-Way Inc. in 2007. CFI has prominent market positions in domestic U.S. and cross-border Mexico freight.
- As a result of the CFI acquisition and TFI International's existing businesses, approximately 50% of TFI International's run-rate revenue is now generated in the United States. The Company changed its corporate name from TransForce Inc. to TFI International Inc. to reflect this increased geographic scope of operations.
- E-commerce fulfillment continued to outperform as total revenue from e-commerce services grew 38%, or $26.6 million, to $96.2 million in Q4 2016 in the Package and Courier segment and grew 15%, or $4.6 million, to $34.7 million in the Truckload segment.
- On December 28, the Company completed the acquisition of National Fast Freight, an asset-light Canadian-based transportation company providing Less-Than-Truckload ("LTL") intermodal services across Canada.
- Total revenue from continuing operations increased by $110.9 million, to $1,137.7 million, as a result of business acquisitions' contributions of $142.5 million, offset by volume decreases in the existing regional LTL and Truckload ("TL") operations as management continued to focus on quality of revenue.
- Operating income from continuing operations increased 8% to $72.1 million from the same quarter last year as a result of business acquisitions and improved operating margin in existing operations (from 7.1% in Q4 2015 to 7.6% in this quarter). On a consolidated basis, the operating margin[1] stood at 7.0%, similar to the same quarter last year.
- Operating income from continuing operations excluding business acquisitions increased 3% to $68.6 million.
- Net income was $45.3 million, up 4% from last year as a result of better operating income from continuing operations and lower net finance costs and effective tax rate, which were offset by lower net income from discontinued operations. Last year's net income was $43.6 million. The diluted earnings per share (diluted "EPS") were 48 cents, up 9% from 44 cents last year.
- Adjusted diluted EPS from continuing operations[1], a non-IFRS measure, increased 30% to 56 cents from 43 cents in Q4 2015.
- Free cash flow ("FCF") from continuing operations[1], a non-IFRS measure, was $98.0 million, lower than the $125.8 million generated in Q4 2015, due primarily to negative changes in operating working capital from continuing operations.

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[1] *Refer to the section "Non-IFRS financial measures".*

- In Q4, the Company's long-term debt was at $1,584.8 million, an increase of $731.0 million from last quarter mainly due to the CFI acquisition.

ABOUT TFI INTERNATIONAL

Services

TFI International is a North American leader in the transportation and logistics industry, operating across the United States, Canada and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency. TFI International companies service the following segments:

- Package and Courier;
- Less-Than-Truckload;
- Truckload;
- Logistics.

Seasonality of operations

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

Human resources

The Company has 17,685 employees who work in TFI International's different business segments across North America. This compares to 15,496 employees as at December 31, 2015. The year-over-year increase of 2,189 is attributable to business acquisitions (+3,535) offset by the sale of the Waste group (-707 employees) and to rationalizations affecting 639 employees mainly in the LTL and TL segments. The Company considers that it has a relatively low turnover rate among its employees and that employee relations are very good.

Equipment

The Company has the largest trucking fleet in Canada and a significant presence in the U.S. market. As at December 31, 2016, the Company had 8,265 power units, 25,310 trailers and 10,270 independent contractors. This compares to 5,938 power units and 17,706 trailers as at December 31, 2015. The increases are due to business acquisitions offset by the sale of the Waste group and the reduction of the fleet in the LTL segment.

Terminals

TFI International's head office is in Montréal, Québec and its executive office is located in Etobicoke, Ontario. As at December 31, 2016, the Company had 398 terminals. Of these, 289 are located in Canada, 175 and 114 respectively in Eastern and Western Canada. The Company also had 97 terminals in the United States and 12 terminals in Mexico. This compares to 406 terminals as at December 31, 2015. 37 terminals were added from business acquisitions. 20 terminals were disposed of as part of the sale of the Waste group. The terminal consolidation achieved in the last twelve months decreased the total number of terminals by 25, mainly in the Package and Courier and LTL segments. In Q4 2016, the Company closed 8 sites.

Customers

The Company has a diverse customer base across a broad cross-section of industries with no single client accounting for more than 5% of consolidated revenue. Because of its customer diversity, as well as the wide geographic scope of the Company's service offering and the range of segments in which it operates, a downturn in the activities of individual customers or customers in a particular industry is not expected to have a material adverse impact on the operations of the Company. The Company concluded strategic partnerships with other transport companies in order to extend its service offering to customers across North America.

Revenue by Top Customers' Industry (59% of total revenue)	
Retail	38%
Manufactured Goods	13%
Automotive	8%
Services	7%
Food & Beverage	6%
Forest Products	6%
Energy	5%
Building Materials	4%
Metals & Mining	4%
Chemicals & Explosives	3%
Maritime Containers	2%
Others	4%

(As of December 31, 2016)

CONSOLIDATED RESULTS

This section provides general comments on the consolidated results of operations. A more detailed analysis is provided in the "Segmented results" section.

2016 significant business acquisitions

In line with the Company's growth strategy, on October 27, 2016, the Company completed the acquisition of the North American truckload operation of XPO Logistics. The acquisition represents an important expansion of TFI International's TL and Logistics services across North America. With an operating history of over 60 years, the acquired business is a top 20 carrier headquartered in Joplin, Missouri. The business provides an integrated offering of point-to-point dry-van TL transportation services across the United States, and is one of the largest service providers of cross-border trucking into Mexico. The business has an extensive U.S. network, including 29 locations, approximately 3,000 tractors and 7,500 trailers through a combination of owned fleet and independent contractors. This acquisition significantly strengthens TFI International's presence in the North American truckload landscape with prominent market positions in domestic U.S. and cross-border Mexico freight. Based on historical information, the acquired business is expected to generate annual revenue of approximately US$530 million, of which US$514 million and US$16 million is expected to be included in the Company's TL and Logistics segments, respectively.

On November 1, 2016, the Company completed the acquisition of Hyphen Transportation Management Inc. ("Hyphen") to continue to grow its asset light Logistics division. Hyphen provides brokerage services in flatbed, dry van, refrigerated, and intermodal. Based on historical information, Hyphen is expected to generate $12 million in annual revenue.

On December 1, 2016, the Company completed the acquisition of Muskoka Delivery Services Inc. and Muskoka Delivery Barrie Inc. ("Muskoka"). As a niche player, Muskoka services primarily the Package and Courier industry as an interline carrier in Northern Ontario. Based on historical information, Muskoka is expected to generate $30 million in annual revenue.

On December 28, 2016, the Company completed the acquisition of the assets of Brampton, Ontario based National Fast Freight ("NFF"). Founded in 1992, NFF is an asset-light Canadian-based transportation company providing LTL intermodal services across Canada. Based on historical information, NFF is expected to generate $80 million in annual revenue.

During 2016, the Company also acquired six businesses in the specialized Truckload operating segment which are not considered significant. Based on historical information, annual revenue from these operations is expected to be $66 million.

Revenue from continuing operations

TFI International reported a revenue increase from continuing operations mainly as a result of business acquisitions. For the fourth quarter ended December 31, 2016, total revenue from continuing operations increased by $110.9 million, or 11%, to $1,137.7 million from $1,026.8 million in Q4 2015. This increase is mainly due to a $142.5 million contribution from business acquisitions, which was offset by a decrease from lower volumes in existing operations in part because the Company focused on high quality revenue and chose not to renew low-margin business. There was no significant year-over-year foreign currency impact on this quarter's revenue as the average exchange rate used to convert TFI International's revenue generated in U.S. dollars was similar to that used in the same quarter last year. With respect to revenue before fuel surcharge from existing operations, increases in the Package and Courier segment were largely offset by decreases in the regional LTL and TL operations.

For the year ended December 31, 2016, total revenue from continuing operations was stable at $4.03 billion compared to last year. The contribution from business acquisitions of $216.8 million was offset by decreases in volumes from existing operations and lower fuel surcharge. The currency movements positively impacted revenue before fuel surcharge from continuing operations by approximately 1.0%.

Operating expenses from continuing operations

For the fourth quarter, the Company's operating expenses from continuing operations increased by $105.3 million, or 11%, from $960.3 million in 2015 to $1,065.6 million in 2016. The increase is mainly attributable to increases from business acquisitions of $139.0 million offset by decreases in the existing operations' operating expenses of $33.6 million. Excluding business acquisitions, the decrease is mainly attributable to a decrease in volume, but also to better operating efficiency, rationalization and terminal optimization, resulting in decreases in materials and services expenses of $17.5 million and $9.7 million in personnel expense. This was offset by higher accident costs incurred during this quarter of $2.4 million, of which $2.2 million was recorded in the corporate segment.

Corporate's operating expenses increased mainly due to CFI related acquisition expenses and to the accident costs mentioned above.

For the three-month period ended December 31, 2016, depreciation of property and equipment increased by $10.1 million. Excluding business acquisitions, depreciation of property and equipment was down by $1.5 million, or 5%, as a result of the Company's constant focus on adjusting capacity to match fluctuations in demand. For the same period, intangible asset amortization increased by $2.8 million, on a consolidated basis, due to business acquisitions.

For the fourth quarter, the gain on sale of property and equipment was similar to Q4 2015 at $6.4 million. Q4 2016 gains included a $2.4 million profit on dispositions of properties compared to $4.0 million in Q4 2015.

The adjusted operating ratio[1], a non-IFRS measure, was virtually unchanged at 93.0% in this quarter, compared to 92.9% for Q4 2015, as the Company successfully reduced its operating expenses in conjunction with the volume decline. Excluding business acquisitions, the adjusted operating ratio improved to 92.4% from 92.9% in Q4 2015 which is in line with the Company's primary focus of concentrating on quality revenue and being efficient when serving its customers.

For the year ended December 31, 2016, the Company's operating expenses from continuing operations increased $13.6 million, from $3.75 billion in 2015 to $3.77 billion in 2016. Excluding business acquisitions, operating expenses decreased by $196.9 million, or 5%, mainly attributable to fuel price decreases, demand contraction, rationalization and terminal optimization, offset by lower gains on sale of assets. On a consolidated basis, the adjusted operating ratio for the year ended December 31, 2016 increased to 93.0%, up 60 basis points from 2015.

[1] *Refer to the section "Non-IFRS financial measures".*

Operating income from continuing operations

For the fourth quarter, TFI International's operating income from continuing operations increased by $5.6 million to $72.1 million, compared to $66.5 million in 2015. Business acquisitions contributed $3.5 million to the increase and existing operations improved their operating income by $2.1 million. Management's constant focus on the quality of revenue may have reduced total revenue, but this strategy in conjunction with cost control benefited the Company's overall operating income. Significant operating income and margin improvements in the Package and Courier and LTL segment were offset by declines in revenue and margins in the TL operating divisions attributable to weaker economic fundamentals, particularly impacting the U.S. Domestic TL operations. As a percentage of revenue before fuel surcharge, the operating margin decreased by 10 basis points from 7.1% in last year's Q4 to 7.0%. Excluding business acquisitions, the operating margin increased by 50 basis points to 7.6%.

For the year ended December 31, 2016, operating income from continuing operations decreased by $18.2 million to $258.2 million, compared to $276.5 million in 2015, on lower year-over-year revenue and gains on sale of assets. As a percentage of revenue before fuel surcharge, the operating margin decreased by 60 basis points from 7.6% last year to 7.0%.

Finance income and costs from continuing operations

(unaudited) *(in thousands of dollars)*	**Fourth quarters ended December 31**		**Years ended December 31**	
Finance costs (income)	**2016**	2015	**2016**	2015
Interest expense on long-term debt	**11,931**	14,850	**41,201**	60,036
Interest income and accretion	**(652)**	-	**(2,374)**	-
Net foreign exchange loss (gain)	**(1,207)**	(1,809)	**2,110**	(1,145)
Net change in fair value of foreign exchange derivatives	**(129)**	295	**(1,392)**	7,194
Net change in fair value of interest rate derivatives	**(2,692)**	(5,668)	**6,232**	5,694
Others	**4,015**	1,270	**9,105**	3,926
Net finance costs	**11,266**	8,938	**54,882**	75,705

Interest expense on long-term debt

Interest expense on long-term debt for the three-month period and year ended December 31, 2016 decreased by $2.9 million and $18.8 million, respectively, mainly due to lower borrowings as a result of the proceeds received from the sale of the Waste group in Q1 2016. This impact was somewhat offset in Q4 2016 following the acquisition of CFI.

Net foreign exchange gain or loss and hedge accounting

Net foreign exchange gains or losses are mainly attributable to the U.S. dollar portion of the Company's credit facility. The Company designates as a hedge a portion of its U.S. dollar denominated debt held against its net investments in U.S. operations. This accounting treatment allows the Company to offset the designated portion of foreign exchange gain (or loss) of its debt against the foreign exchange loss (or gain) of its net investments in U.S. operations and present them in other comprehensive income. For the three-month period and year ended December 31, 2016, $9.2 million and $25.8 million of foreign exchange gains, respectively, ($8.0 million and $22.4 million net of tax, respectively) were recorded to other comprehensive income.

Net change in fair value of derivatives

The Company's derivative financial instruments, which are used to mitigate foreign exchange and interest rate risks, saw their fair values increase by $2.8 million in Q4 2016, while in the same quarter last year their fair values increased by $5.4 million. For the year ended December 31, 2016, their fair values decreased by $4.8 million, compared to $12.9 million in 2015. The derivatives' fair values are subject to market price fluctuations in foreign exchange and interest rates.

On October 27, 2016, management decided to designate, as a hedge of the variable interest rate instruments (credit facility), the interest rate derivatives. Therefore, since that date, the effective portion of changes in fair value of the derivatives is recognized in other comprehensive income. For the three-month period and year ended December 31, 2016, the $12.5 million gain on change in fair value of interest rate derivatives ($9.1 million net of tax) was recorded to other comprehensive income.

Others

The other financial expenses mainly comprise bank charges and the net change in fair value of the Company's deferred share units. The latter is the main factor contributing to the increase of other financial expenses for the three-month period and year ended December 31, 2016.

Income tax expense from continuing operations

For the three-month period ended December 31, 2016, the effective tax rate was 23.8%. The income tax expense of $14.4 million reflects a $2.0 million favourable variance versus an anticipated income tax expense of $16.4 million based on the Company's statutory tax rate of 26.9%. The favourable variance is mainly due to positive differences between the statutory rate and the effective rates in other jurisdictions of $2.0 million and $0.6 million variance from non-taxable income. These variances were offset by a $1.5 million tax expense from non-deductible expenses.

For the year ended December 31, 2016, the effective tax rate was 22.7%. The income tax expense of $46.3 million reflects an $8.4 million favourable variance versus an anticipated income tax expense of $54.7 million based on the Company's statutory tax rate of 26.9%. The favourable variance is mainly due to positive differences between the statutory rate and the effective rates in other jurisdictions of $7.6 million, a $2.5 million variance from the prior year's adjustments and a $2.4 million variance from non-taxable income, mainly from capital gains. These variances were offset by a $4.0 million tax expense from non-deductible expenses.

Net income from discontinued operations

As a result of the divestiture of its Waste Management segment, which was completed on February 1, 2016, and the Company's decision to cease its operations in rig moving services, these two operating segments have been reclassified and presented on a net basis as discontinued operations in the consolidated statements of income and cash flows.

For the three-month period ended December 31, 2016, the net loss from discontinued operations of $1.0 million is attributable to the rig moving services' earnings. For the year ended December 31, 2016, TFI International's net income from discontinued operations amounted to $482.5 million compared to $17.7 million in 2015. The 2016 net income from discontinued operations included the pre-tax gain on sale of the Waste Management segment in the amount of $559.2 million or $490.8 million net of tax.

Net income and adjusted net income from continuing operations

(unaudited) ***(in thousands of dollars, except per share data)***	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Net income	**45,339**	43,646	**639,579**	163,437
Amortization of intangible assets related to business acquisitions, net of tax	**9,234**	7,651	**32,744**	28,785
Net change in fair value of derivatives, net of tax	**(2,068)**	(3,943)	**3,546**	9,483
Net foreign exchange loss (gain), net of tax	**(884)**	(1,568)	**1,546**	(993)
Tax on multi-jurisdiction distributions	**(501)**	140	**83**	2,575
Net loss (income) from discontinued operations	**1,048**	(3,041)	**(482,520)**	(17,705)
Adjusted net income from continuing operations[1]	**52,168**	42,885	**194,978**	185,582
Adjusted earnings per share from continuing operations[1] – basic	**0.57**	0.44	**2.08**	1.85
Adjusted earnings per share from continuing operations[1] – diluted	**0.56**	0.43	**2.04**	1.82

For the three-month period ended December 31, 2016, TFI International's net income increased $1.7 million to $45.3 million compared to $43.6 million in Q4 2015 mainly due to higher operating income from continuing operations of $5.6 million, offset by a lower net income from discontinued operations (a loss in 2016 vs. a profit in 2015), of $4.1 million. The Company's adjusted net income from continuing operations[1], a non-IFRS measure, which excludes items listed in the above table, was $52.2 million for the fourth quarter compared to $42.9 million in Q4 2015, up 22% or $9.3 million. The adjusted earnings per share from continuing operations, fully diluted, increased by 30% to 56 cents as a result of higher earnings and share buy-backs; the weighted average number of shares outstanding decreased by 6.3 million, or 6%, on a year-over-year basis.

For the year ended December 31, 2016, TFI International's net income amounted to $639.6 million compared to $163.4 million in 2015. This significant increase is largely attributable to the net of tax gain on the sale of the Waste group of $490.8 million. The Company's adjusted net income from continuing operations was $195.0 million for the year 2016 compared to $185.6 million in 2015, up 5% or $9.4 million. The adjusted earnings per share from continuing operations, fully diluted, increased by 12% to $2.04.

[1] *Refer to the section "Non-IFRS financial measures".*

SEGMENTED RESULTS

For the purpose of this section, operating income and EBITDA from continuing operations refer to the same definitions as in the section "Non-IFRS financial measures" for the consolidated results. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses. Note that "Total revenue" is not affected by this reallocation.

Selected segmented financial information from continuing operations

(unaudited) *(in thousands of dollars)*	Package and Courier	Less-Than-Truckload	Truckload	Logistics	Corporate	Eliminations	Total
Q4 2016							
Revenue before fuel surcharge	**349,755**	**177,078**	**457,920**	**65,574**	**-**	**(13,881)**	**1,036,446**
% of total revenue[1]	**32%**	**18%**	**44%**	**6%**			**100%**
EBITDA from continuing operations	**42,079**	**22,120**	**69,373**	**8,195**	**(11,442)**	**-**	**130,325**
EBITDA margin[2]	**12.0%**	**12.5%**	**15.1%**	**12.5%**			**12.6%**
Operating income	**33,480**	**15,080**	**28,417**	**7,112**	**(11,990)**	**-**	**72,099**
Operating margin[2]	**9.6%**	**8.5%**	**6.2%**	**10.8%**			**7.0%**
Net capital expenditures[3, 4]	**2,112**	**699**	**7,913**	**-**	**1,053**		**11,777**
Q4 2015							
Revenue before fuel surcharge	340,123	188,572	368,693	58,994	-	(17,650)	938,732
% of total revenue[1]	35%	20%	39%	6%			100%
EBITDA from continuing operations	35,244	18,400	57,623	6,138	(5,601)	-	111,804
EBITDA margin[2]	10.4%	9.8%	15.6%	10.4%			11.9%
Operating income	26,471	10,758	30,078	5,285	(6,108)	-	66,484
Operating margin[2]	7.8%	5.7%	8.2%	9.0%			7.1%
Net capital expenditures[5]	4,698	(3,505)	9,458	25	349		11,025
2016							
Revenue before fuel surcharge	**1,320,901**	**714,621**	**1,489,194**	**236,609**	**-**	**(56,837)**	**3,704,488**
% of total revenue[1]	**34%**	**20%**	**40%**	**6%**			**100%**
EBITDA from continuing operations	**151,327**	**77,022**	**229,521**	**27,266**	**(33,837)**	**-**	**451,299**
EBITDA margin[2]	**11.5%**	**10.8%**	**15.4%**	**11.5%**			**12.2%**
Operating income	**116,780**	**48,280**	**105,699**	**23,389**	**(35,935)**	**-**	**258,213**
Operating margin[2]	**8.8%**	**6.8%**	**7.1%**	**9.9%**			**7.0%**
Total assets	**711,670**	**619,772**	**2,489,096**	**175,190**	**75,233**		**4,070,961**
Net capital expenditures[4]	**11,195**	**5,410**	**35,244**	**(3,774)**	**1,493**		**49,568**
2015							
Revenue before fuel surcharge	1,249,802	762,071	1,439,226	249,033	-	(69,269)	3,630,863
% of total revenue[1]	33%	22%	39%	6%			100%
EBITDA from continuing operations	124,039	77,224	239,536	31,393	(19,505)	-	452,687
EBITDA margin[2]	9.9%	10.1%	16.6%	12.6%			12.5%
Operating income	90,195	45,756	134,080	27,872	(21,442)	-	276,461
Operating margin[2]	7.2%	6.0%	9.3%	11.2%			7.6%
Total assets	728,797	658,035	1,576,663	132,330	30,922		3,126,747
Net capital expenditures[5]	16,570	5,010	53,946	(11,065)	2,866		67,327

When the Company changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for the comparative period is restated to conform to the new structure.

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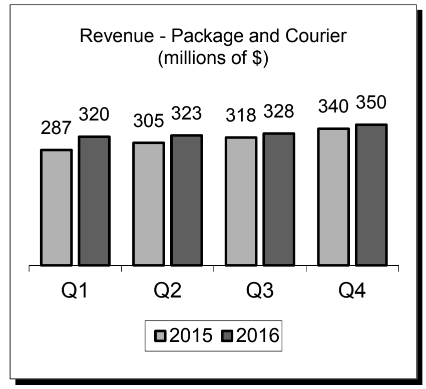
1 *Before eliminations, except for the total.*
2 *As a percentage of revenue before fuel surcharge.*
3 *Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.*
4 *2016 net capital expenditures include proceeds from the sale of properties for consideration of $7.1 million in LTL ($5.0 million in Q4), $10.6 million in TL ($0.5 million in Q4) and $3.7 million in Logistics (nil in Q4).*
5 *2015 net capital expenditures include proceeds from the sale of properties for consideration of $13.6 million in LTL ($5.8 million in Q4), $19.2 million in TL (nil in Q4) and $12.6 million in Logistics (nil in Q4).*

Package and Courier

(unaudited) - (in thousands of dollars)	Fourth quarters ended December 31				Years ended December 31			
	2016	**%**	2015	%	**2016**	**%**	2015	%
Total revenue	**374,096**		362,782		**1,399,731**		1,347,823	
Fuel surcharge	**(24,341)**		(22,659)		**(78,830)**		(98,021)	
Revenue	**349,755**	**100.0%**	340,123	100.0%	**1,320,901**	**100.0%**	1,249,802	100.0%
Materials and services expenses (net of fuel surcharge)	**204,875**	**58.6%**	206,063	60.6%	**780,608**	**59.1%**	740,603	59.3%
Personnel expenses	**74,238**	**21.2%**	70,916	20.9%	**277,991**	**21.0%**	276,859	22.2%
Other operating expenses	**28,561**	**8.2%**	27,880	8.2%	**110,881**	**8.4%**	108,250	8.7%
Depreciation of property and equipment	**4,657**	**1.3%**	4,787	1.4%	**18,781**	**1.4%**	19,068	1.5%
Amortization of intangible assets	**3,942**	**1.1%**	3,986	1.2%	**15,766**	**1.2%**	14,776	1.2%
Loss on sale of property and equipment	**2**	**0.0%**	20	0.0%	**94**	**0.0%**	51	0.0%
Operating income	**33,480**	**9.6%**	26,471	7.8%	**116,780**	**8.8%**	90,195	7.2%
EBITDA	**42,079**	**12.0%**	35,244	10.4%	**151,327**	**11.5%**	124,039	9.9%

Revenue

On December 1, 2016, the Company completed the acquisition of Muskoka Delivery Services Inc. and Muskoka Delivery Barrie Inc. ("Muskoka"). As a niche player, Muskoka services primarily the Package and Courier industry as an interline carrier in Northern Ontario. Based on historical information, Muskoka is expected to generate $30 million in annual revenue.



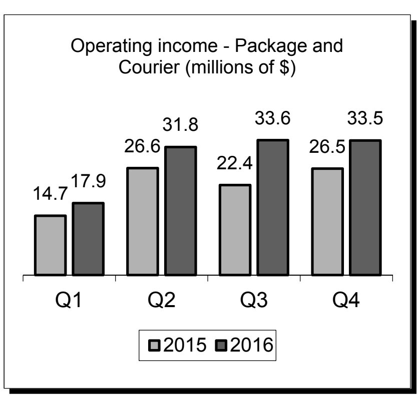
For the quarter ended December 31, 2016, revenue increased by $9.7 million, or 3%, from $340.1 million to $349.8 million in 2015. The increase is due mainly to an overall increase in volume from e-commerce business. E-commerce revenue increased $26.6 million, or 38%, from $69.6 million to $96.2 million in Q4 2016. There was no significant year-over-year foreign currency impact on this quarter's revenue as the average exchange rate used to convert revenue generated in U.S. dollars was similar to that used in the same quarter last year.

For the year ended December 31, 2016, revenue increased by $71.1 million, or 6%, from $1,249.8 million to $1,320.9 million compared to 2015. Excluding business acquisitions, revenue for the year ended December 31, 2016 increased by $35.8 million or 3% from the prior year due to volume increase and to a $16.1 million positive foreign currency impact. E-commerce revenue increased $92.4 million, or 41.5%, compared to 2015, from $222.6 million to $315.0 million.

Operating expenses

For the quarter ended December 31, 2016, the Package and Courier segment's operating expenses increased by $2.6 million, or 1%, from $313.7 million in 2015 to $316.3 million. The increase in operating expenses is mainly attributable to the overall volume increase. These expenses increased only 1% while revenue increased 3%. This efficiency improvement is mainly attributable to the consolidation of routes and terminals in the Canadian next-day business. Personnel expenses increased 30 basis points as a percentage of revenue in part due to the employee termination costs incurred in the segment's results in the quarter for $2.7 million, or 80 basis points, in relation to the above mentioned rationalizations.

For the year ended December 31, 2016, the Package and Courier's operating expenses increased by $44.5 million, or 4%, from $1,159.6 million in 2015 to $1,204.1 million. Excluding business acquisitions, materials and services expenses were up $16.1 million or 2% for the year ended December 31, 2016 mainly due to unfavourable foreign exchange impact on the conversion of expenses. Personnel expenses in percentage of revenue before fuel surcharge were 120 basis points lower due to cost savings from right sizing the same-day business in the U.S., ongoing strategic personnel changes focused on synergies at several operating divisions within the segment, and lower direct labor costs due to ongoing productivity initiatives. The employee termination costs were similar in 2016 compared to 2015 at $4.5 million.



Operating income

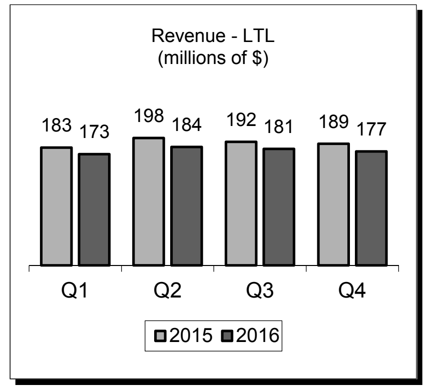
The Company's operating income in the Package and Courier segment for the quarter ended December 31, 2016 significantly increased by 26% or $7.0 million compared to the fourth quarter of 2015, from $26.5 million to $33.5 million. The increase is primarily attributable to increased volume from e-commerce and existing customers combined with strong efficiency gains in this segment's operations resulting from past and current operational and cost initiatives. For the three-month period ended December 31, 2016, the Package and Courier operating margin increased 180 basis points year-over-year to 9.6%.

For the year ended December 31, 2016, operating income increased by 29% or $26.6 million compared to 2015, from $90.2 million to $116.8 million. The operating margin increased 160 basis points year-over-year mainly from existing operations.

Less-Than-Truckload

(unaudited) - (in thousands of dollars)	Fourth quarters ended December 31				Years ended December 31			
	2016	**%**	2015	%	**2016**	**%**	2015	%
Total revenue	**202,967**		216,226		**808,782**		882,908	
Fuel surcharge	**(25,889)**		(27,654)		**(94,161)**		(120,837)	
Revenue	**177,078**	**100.0%**	188,572	100.0%	**714,621**	**100.0%**	762,071	100.0%
Materials and services expenses (net of fuel surcharge)	**93,974**	**53.1%**	101,044	53.6%	**375,928**	**52.6%**	399,875	52.5%
Personnel expenses	**48,729**	**27.5%**	56,969	30.2%	**208,028**	**29.1%**	233,230	30.6%
Other operating expenses	**14,998**	**8.5%**	16,190	8.6%	**58,657**	**8.2%**	62,186	8.2%
Depreciation of property and equipment	**5,019**	**2.8%**	5,517	2.9%	**20,338**	**2.8%**	22,795	3.0%
Amortization of intangible assets	**2,021**	**1.1%**	2,125	1.1%	**8,404**	**1.2%**	8,673	1.1%
Gain on sale of property and equipment	**(2,743)**	**-1.5%**	(4,031)	-2.1%	**(5,014)**	**-0.7%**	(10,444)	-1.4%
Operating income	**15,080**	**8.5%**	10,758	5.7%	**48,280**	**6.8%**	45,756	6.0%
EBITDA	**22,120**	**12.5%**	18,400	9.8%	**77,022**	**10.8%**	77,224	10.1%

Revenue



At the end of the current year, the Company completed the acquisition of the assets of Brampton, Ontario based National Fast Freight ("NFF"). Founded in 1992, NFF is an asset-light Canadian-based transportation company providing LTL intermodal services across Canada. Based on historical information, NFF is expected to generate $80 million in annual revenue.

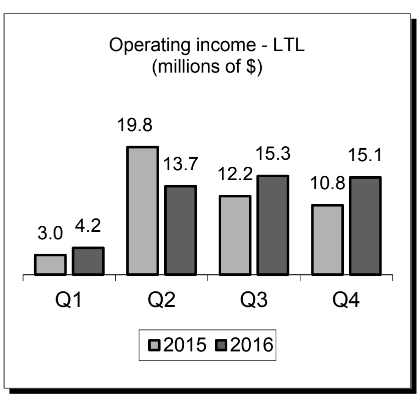
For the three-month period ended December 31, 2016, the LTL segment's revenue decreased by 6%, or $11.5 million, from $188.6 million to $177.1 million. The decline is due to regional sluggish volume in Western and Eastern Canada and management's decision to focus on high quality revenue and not renew low-margin business. Efforts are being made to ensure TFI International continues to profitably service these regional customers and remain in a strong position for the expected return to normal market conditions, particularly in the Western region where the current oil price increase will have a positive impact on its economic activities.

For the year ended December 31, 2016, revenue decreased by 6%, or $47.5 million, from $762.1 million to $714.6 million. The decrease is largely due to volume decreases offset by positive foreign currency movements of $4.2 million.

Operating expenses

For the fourth quarter of 2016, operating expenses were down by 9%, or $15.8 million, to $162.0 million compared to $177.8 million last year. Excluding the gain on sale of property and equipment, operating expenses decreased more than the revenue decline because of operational efficiency gains realized following past terminal closures. As a result, total operating expenses excluding gain on sale of property and equipment as a percentage of revenue were 93.0%, an improvement of 340 basis points over the same quarter last year. Operational efficiencies were improved, which helped to decrease sub-contractors' costs and fleet number reductions, resulting in savings on equipment leasing, maintenance, and depreciation costs. In its personnel expenses, the LTL operating divisions benefited from past rationalizations, which resulted in decreases both in dollars and as a percentage of revenue before fuel surcharge. During this quarter, the Company incurred $0.2 million in employee termination costs compared to $1.8 million in Q4 2015. The gain on sale of property and equipment was $1.3 million lower year-over-year. In Q4 2016, a property and a parcel of land were sold generating a gain of $2.7 million.

For the year ended December 31, 2016, operating expenses were down by 7%, or $50.0 million, to $666.3 million compared to $716.3 million last year, which is mainly attributable to volume decreases and operational efficiency improvements.



Operating income

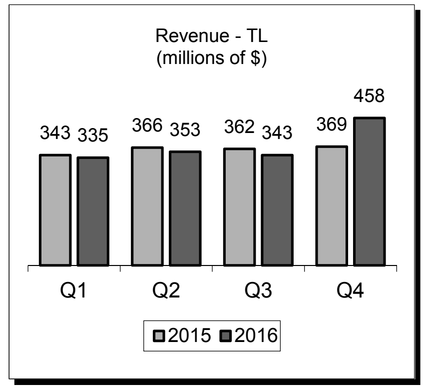
For the quarter ended December 31, 2016, operating income increased by $4.3 million, or 40%, to $15.1 million from $10.8 million in Q4 2015. Savings were realized mostly on operating costs and a gain of $2.7 million was recorded on the sale of property and equipment. The Company's focus on cost control and operational improvements has allowed it to weather the decrease in demand while maintaining a positive operating income. Although the lower Canadian dollar and rising oil prices are positive signs, the Company does not see significant improvements in prices or volumes in the short term. Excluding the gain on sale of property and equipment, the operating margin, as a percentage of revenue before fuel surcharge, for the three-month period ended December 31, 2016, increased by 340 basis points from 3.6% in Q4 2015 to 7.0% due to operational efficiency gains.

For the year ended December 31, 2016, operating income increased by $2.5 million to $48.3 million from $45.8 million in 2015. Excluding the gain on sale of property and equipment, the operating margin, as a percentage of revenue before fuel surcharge, for the year ended December 31, 2016 increased by 150 basis points from 4.6% to 6.1% due to operating improvements and favourable currency movements.

Truckload

(unaudited) - (in thousands of dollars)	Fourth quarters ended December 31				Years ended December 31			
	2016	**%**	2015	%	**2016**	**%**	2015	%
Total revenue	**507,712**		405,301		**1,632,390**		1,614,191	
Fuel surcharge	**(49,792)**		(36,608)		**(143,196)**		(174,965)	
Revenue	**457,920**	**100.0%**	368,693	100.0%	**1,489,194**	**100.0%**	1,439,226	100.0%
Materials and services expenses (net of fuel surcharge)	**228,433**	**49.9%**	190,051	51.5%	**767,393**	**51.5%**	745,808	51.8%
Personnel expenses	**147,060**	**32.1%**	107,609	29.2%	**445,321**	**29.9%**	409,256	28.4%
Other operating expenses	**16,057**	**3.5%**	15,707	4.3%	**59,985**	**4.0%**	56,801	3.9%
Depreciation of property and equipment	**32,692**	**7.1%**	21,868	5.9%	**97,722**	**6.6%**	84,382	5.9%
Amortization of intangible assets	**8,264**	**1.8%**	5,677	1.5%	**26,100**	**1.8%**	21,074	1.5%
Gain on sale of property and equipment	**(3,003)**	**-0.7%**	(2,297)	-0.6%	**(13,026)**	**-0.9%**	(12,175)	-0.8%
Operating income	**28,417**	**6.2%**	30,078	8.2%	**105,699**	**7.1%**	134,080	9.3%
EBITDA	**69,373**	**15.1%**	57,623	15.6%	**229,521**	**15.4%**	239,536	16.6%

Revenue



On October 27, 2016, the Company completed the acquisition of the North American truckload operation of XPO Logistics. The acquisition represents an important expansion of TFI International's TL and Logistics services across North America. With an operating history of over 60 years, the acquired business is a top 20 carrier headquartered in Joplin, Missouri. The business provides an integrated offering of point-to-point dry-van TL transportation services across the United States, and is one of the largest service providers of cross-border trucking into Mexico. The business has an extensive U.S. network, including 29 locations, approximately 3,000 tractors and 7,500 trailers through a combination of owned fleet and independent contractors. This acquisition significantly strengthens TFI International's presence in the North American truckload landscape with prominent market positions in domestic U.S. and cross-border Mexico freight. Based on historical information, the acquired business is expected to generate annual revenue of approximately US$530 million, of which US$514 million and US$16 million is expected to be included in the Company's TL and Logistics segments, respectively.

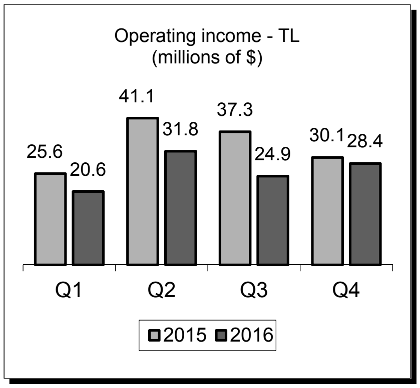
For the three-month period ended December 31, 2016, TL revenue increased by $89.2 million or 24%, from $368.7 million in Q4 2015 to $457.9 million. This increase is largely attributable to the business acquisitions that took place in Q4 2016 and the minor ones that occurred in the beginning of the year. CFI and the other minor business acquisitions contributed for $118.2 million to TL revenue increase. Excluding these business acquisitions, TL revenue decreased by $29.0 million or 8% which is due to the constant difficulties faced by the specialized divisions servicing the oil and gas industry and the domestic U.S. TL operation experiencing pressure on both volume and rates. On a positive note, the Specialized TL operating segment is starting to experience a slight improvement in activity levels. As part of its asset-light strategy, the TL segment increased its proportion of revenue from brokerage services. In the medium term, management intends to develop its brokerage activities in its U.S. TL operations, which is now almost non-existent.

For the year ended December 31, 2016, TL revenue increased by $50.0 million from $1,439.2 million in 2015 to $1,489.2 million mainly explained by the business acquisitions of 2016 and by favourable foreign currency movements totalling $16.8 million which were offset by volume decreases. Excluding the 2016 acquisitions, revenue decreased by $95.5 million or 7%. E-commerce revenue in the TL segment somewhat compensated for the overall decrease in revenue. It increased $26.6 million, or 30%, from $89.1 million in 2015 to $115.7 million this year.

Operating expenses

Operating expenses increased by $90.9 million or 27% from $338.6 million in Q4 2015 to $429.5 million in Q4 2016 mainly from business acquisitions. Excluding business acquisitions, operating expenses decreased by 7%, or $25.0 million, mainly due to decreases in material and services expenses as well as other operating expenses. This is explained by the TL segment diligently working to align its cost structure to demand. The Company continues to focus on being cost-conscious and its priority remains to improve the efficiency and profitability of its existing fleet and network of independent contractors. Also, with the addition of CFI, the TL segment will further grow in the U.S. market and capitalize on the knowledge and experience of a well-established company.

For the year ended December 31, 2016, operating expenses increased by $78.3 million or 6% from $1,305.1 million in 2015 to $1,383.5 million. Excluding the 2016 business acquisitions, the operating expenses for the TL segment decreased by $63.6 million or 5%. The Company continues to dispose of any excess assets while generating gains on these sales. In 2016, a gain of $13.0 million on sale of assets was realized, similar to the $12.2 million realized last year.



Operating income

The Company's operating income in the TL segment for the quarter ended December 31, 2016 decreased by $1.7 million to $28.4 million, compared to $30.1 million in Q4 2015. This represents an operating margin of 6.2% for this quarter compared to 8.2% in Q4 2015 partially due to the fact that newly acquired businesses have higher depreciation and amortization charges impacting operating margins. Excluding business acquisitions, the operating margin would have been 7.7% for Q4 2016, a 50 basis points decrease from Q4 2015.

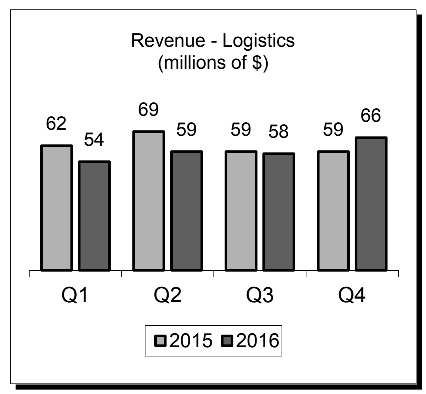
For the year ended December 31, 2016, operating income decreased by $28.4 million from $134.1 million to $105.7 million, which results in an operating margin of 7.1% compared to 9.3% in 2015. The decrease in operating margin is mainly attributable to the U.S. TL operating divisions of TFI International for which the revenue per mile decreased while the total operating costs per mile were relatively stable. The current U.S. market is persistently challenging in regard to rates, while equipment cost reductions have yet to be achieved despite the initiatives put in place. On the Canadian market, revenue from the Canadian specialized and conventional TL divisions was challenged as well. The TL segment will continue to focus on cost initiatives to mitigate the difficult freight market and maintain its margins. In addition, the TL margin will also rely on its new business acquisitions to extend its activities in the Canadian and U.S. markets.

Logistics

(unaudited) - (in thousands of dollars)	Fourth quarters ended December 31				Years ended December 31			
	2016	**%**	2015	%	**2016**	**%**	2015	%
Total revenue	**66,840**		60,131		**241,142**		254,236	
Fuel surcharge	**(1,266)**		(1,137)		**(4,533)**		(5,203)	
Revenue	**65,574**	**100.0%**	58,994	100.0%	**236,609**	**100.0%**	249,033	100.0%
Materials and services expenses (net of fuel surcharge)	**47,133**	**71.9%**	42,308	71.7%	**170,655**	**72.1%**	181,422	72.9%
Personnel expenses	**7,336**	**11.2%**	7,453	12.6%	**29,198**	**12.3%**	29,050	11.7%
Other operating expenses	**3,126**	**4.8%**	3,201	5.4%	**11,528**	**4.9%**	12,061	4.8%
Depreciation of property and equipment	**280**	**0.4%**	354	0.6%	**1,262**	**0.5%**	1,600	0.6%
Amortization of intangible assets	**803**	**1.2%**	499	0.8%	**2,615**	**1.1%**	1,921	0.8%
Gain on sale of property and equipment	**(216)**	**-0.3%**	(106)	-0.2%	**(2,038)**	**-0.9%**	(4,893)	-2.0%
Operating income	**7,112**	**10.8%**	5,285	9.0%	**23,389**	**9.9%**	27,872	11.2%
EBITDA	**8,195**	**12.5%**	6,138	10.4%	**27,266**	**11.5%**	31,393	12.6%

Revenue

The CFI acquisition, completed on October 27, 2016, included its Mexican logistics operations, CFI Logistica, which have been grouped in this segment's results. Based on historical information, CFI Logistica is expected to generate US$16 million in annual revenue. On November 1, 2016, the Company also completed the acquisition of Hyphen. Hyphen provides brokerage services in flatbed, dry van, refrigerated, and intermodal. Based on historical information, Hyphen is expected to generate $12 million in annual revenue.



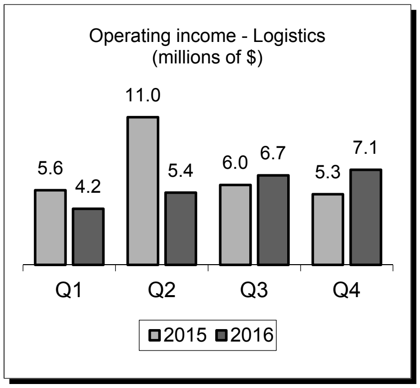
For the quarter ended December 31, 2016, revenue from the Logistics segment increased by 11% or $6.6 million year-over-year, from $59.0 million to $65.6 million, mainly due to acquisitions.

For the year ended December 31, 2016, revenue decreased by 5% or $12.4 million year-over-year, from $249.0 million to $236.6 million. Excluding business acquisitions, revenue decreased by 13%, or $33.0 million, attributable to lower volumes and to non-recurring revenue of approximately $13.0 million in 2015.

Operating expenses

For the quarter ended December 31, 2016, operating expenses increased 9% or $4.8 million compared to the fourth quarter of 2015, from $53.7 million to $58.5 million. This increase was mostly attributable to business acquisitions. Excluding business acquisitions, materials and services expenses represented 72.2% as a percentage of revenue before fuel surcharge, an increase of 50 basis points when compared to Q4 2015, while all other operating expenses decreased by 200 basis points during the same period. As a percentage of revenue, it resulted to an improvement in gross margin of 150 basis points.

For the year ended December 31, 2016, operating expenses decreased 4% or $8.0 million compared to 2015, from $221.2 million to $213.2 million. This decrease was mostly attributable to lower year-over-year revenue which was offset by lower gain on sale of property and equipment compared to last year.



Operating income

The Company's operating income in the Logistics segment for the quarter ended December 31, 2016 increased 35% or $1.8 million compared to the fourth quarter of 2015, from $5.3 million to $7.1 million. Excluding business acquisitions, the Logistics operating margin increased by 150 basis points to 10.5% compared to 9.0% in Q4 2015.

For the year ended December 31, 2016, the operating income decreased 16% or $4.5 million compared to 2015, from $27.9 million to $23.4 million. The decrease is primarily attributable to lower volume and lower gain on sale of property and equipment. Excluding business acquisitions and gain on sale of property and equipment, the operating margin stood at 9.3%, virtually unchanged from last year's results.

LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

(unaudited) ***(in thousands of dollars)***	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Sources of cash:				
Net cash from operating activities from continuing operations	**109,815**	136,787	**337,908**	358,845
Proceeds from sale of property and equipment	**19,240**	16,235	**60,992**	68,065
Proceeds from sale of assets held for sale	**-**	1,857	**-**	22,410
Net variance in cash and bank indebtedness	**-**	-	**-**	1,293
Net proceeds from long-term debt	**712,025**	-	**-**	-
Net cash from discontinued operations	**3,853**	24,838	**769,558**	77,990
Others	**-**	322	**-**	1,435
Total sources	**844,933**	180,039	**1,168,458**	530,038
Uses of cash:				
Purchases of property and equipment	**31,017**	27,190	**110,443**	155,875
Business combinations, net of cash acquired	**775,335**	7,621	**798,303**	44,764
Net variance in cash and bank indebtedness	**13,042**	14,657	**23,899**	-
Net repayment of long-term debt	**-**	106,237	**6,063**	139,091
Dividends paid	**15,523**	16,663	**64,066**	68,555
Repurchase of own shares	**1,092**	7,671	**151,200**	121,753
Others	**8,924**	-	**14,484**	-
Total usage	**844,933**	180,039	**1,168,458**	530,038

Cash flow from operating activities from continuing operations

For the year ended December 31, 2016, net cash from operating activities from continuing operations decreased by 6% from $358.8 million in 2015 to $337.9 million. The $20.9 million decrease is mainly attributable to year-over-year variations in net changes in non-cash operating working capital, interest paid and income taxes paid.

Cash flow used in investing activities from continuing operations

Property and equipment

The following table presents the additions of property and equipment by category for the three-month period and years ended December 31, 2016 and 2015.

(unaudited) *(in thousands of dollars)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Additions to property and equipment:				
Purchases as stated on cash flows statements	**31,017**	27,190	**110,443**	155,875
Additions that did not affect cash	**-**	1,927	**117**	1,927
	31,017	29,117	**110,560**	157,802
Additions by category:				
Land and buildings	**1,983**	1,267	**9,409**	7,482
Rolling stock	**26,477**	24,036	**92,152**	136,342
Equipment	**2,557**	3,814	**8,999**	13,978
	31,017	29,117	**110,560**	157,802

The Company invests in new equipment to maintain its quality of service while keeping maintenance costs low. Its capital expenditures reflect the level of reinvestment required to keep its equipment in good order as well as maintain an adequate allocation of its capital resources. In line with its asset light model, increasing the use of independent contractors to replace owned equipment is beneficial for the Company as it reduces capital needs to serve customers. The Company intends to further pursue this conversion strategy.

Lower 2016 additions of rolling stock compared to 2015 are attributable to two main factors. In 2015, the Company's U.S. TL division had a higher than normal acquisition program for the second half of the year. The second factor is that 2016 additions were contained to match the decline in demand.

In the normal course of activities, the Company constantly renews its rolling stock equipment generating regular proceeds and gain or loss on disposition. The following table indicates the proceeds and gains or losses from sale of property and equipment and assets held for sale from continuing operations by category for the three-month period and years ended December 31, 2016 and 2015.

(unaudited) *(in thousands of dollars)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Proceeds by category:				
Land and buildings	**5,516**	6,005	**21,344**	45,362
Rolling stock	**13,704**	12,075	**39,498**	44,680
Equipment	**20**	12	**150**	433
	19,240	18,092	**60,992**	90,475
Gains (losses) by category:				
Land and buildings	**2,382**	3,953	**8,948**	15,922
Rolling stock	**4,074**	2,470	**11,587**	11,553
Equipment	**(15)**	(9)	**(106)**	(14)
	6,441	6,414	**20,429**	27,461

For the year ended December 31, 2016, the Company disposed of properties for total consideration of $21.3 million ($45.4 million in 2015), which generated an $8.9 million gain ($15.9 million in 2015).

Business acquisitions

For the year ended December 31, 2016, cash used in business acquisitions totalled $798.3 million ($44.8 million in 2015).

In 2016, the Company acquired ten businesses. Refer to the section of this report entitled "2016 significant business acquisitions" and further information can be found in note 5 of the December 31, 2016 consolidated financial statements.

Cash flow from discontinued operations

For the year ended December 31, 2016, the discontinued operations generated cash flow from their operating and investing activities of $769.6 million. In the first quarter of 2016, TFI International received $758.9 million for the sale of its Waste Management segment to GFL, after customary closing adjustments, and a promissory note in the amount of $25 million, payable in four years and bearing interest at an annual rate of 3%. In 2015, discontinued operations generated cash flows of $78.0 million.

Free cash flow from continuing operations

(unaudited) *(in thousands of dollars, except per share data)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Net cash from operating activities from continuing operations	**109,815**	136,787	**337,908**	358,845
Additions to property and equipment	**(31,017)**	(29,117)	**(110,560)**	(157,802)
Proceeds from sale of property and equipment	**19,240**	16,235	**60,992**	68,065
Proceeds from sale of assets held for sale	**-**	1,857	**-**	22,410
Free cash flow from continuing operations[1]	**98,038**	125,762	**288,340**	291,518
Free cash flow from continuing operations per share[1]	**1.07**	1.29	**3.08**	2.91

The Company's objectives when managing its cash flow from operations are to ensure proper capital investment in order to provide stability and competitiveness to its operations, to ensure sufficient liquidity to pursue its growth strategy, and to undertake selective business acquisitions within a sound capital structure and a solid financial position.

For the year ended December 31, 2016, TFI International generated free cash flow from continuing operations of $288.3 million, compared to $291.5 million in 2015, which represents a year-over-year decrease of $3.2 million. This decrease is due to lower net cash from operating activities from continuing operations of $20.9 million, which was offset by lower net additions to property and equipment and assets held for sale compared to 2015. On a per share basis, the free cash flow for the year ended December 31, 2016 totalled $3.08, versus $2.91 in 2015, up 6%.

Based on the December 31, 2016 closing share price of $34.89, the free cash flow from continuing operations generated by the Company in the last twelve months represented a yield of 8.8%.

Financial position

(unaudited) *(in thousands of dollars)*	**As at December 31, 2016**	As at December 31, 2015	As at December 31, 2014
Total assets	**4,071,287**	3,377,870	3,438,589
Long-term debt	**1,584,815**	1,615,100	1,617,742
Shareholders' equity	**1,458,650**	1,019,799	1,029,413
Debt-to-equity ratio[2]	**1.09**	1.58	1.57
Debt-to-capitalization ratio[3]	**0.52**	0.61	0.61

Compared to December 31, 2015, the Company's total assets, long-term debt and shareholders' equity varied mainly due to the sale of the Waste group in Q1 and the 2016 business acquisitions. Total assets increased by $693.4 million mainly due to assets purchased through business acquisitions for $1,111.9 million. This was offset by the Waste disposition for $219.4 million[4], $53.6 million of amortization of intangible assets, $41.1 million on lower income taxes recoverable, derivative financial instruments and assets held for sale and approximately $30.0 million from currency variations. Long-term debt decreased by $30.3 million compared to last year mainly due to the proceeds from the sale of the Waste group offset by the 2016 business acquisitions. Shareholders' equity increased mostly as a result of the $490.8 million after-tax gain on the sale of the Waste group. Consequently, the debt-to-equity ratio and the debt-to-capitalization ratio improved significantly compared to December 31, 2015 and 2014. The Company's current financial position reflects an appropriate debt level to further pursue its acquisition strategy. Strict cash flow management and cash flow generated from operations have allowed the Company to pursue debt reduction when the situation has dictated.

As at December 31, 2016, the Company's working capital (current assets less current liabilities) was $56.9 million. At that date, the majority of the current tax payable of $57.7 million was paid in January 2017.

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1 *Refer to the section "Non-IFRS financial measures".*
2 *Long-term debt divided by shareholders' equity.*
3 *Long-term debt divided by the sum of shareholders' equity and long-term debt.*
4 *As at December 31, 2015, the Waste Management segment's net assets were presented on a net basis under "Disposal group held for sale" on the statements of financial position.*

Contractual obligations

The following table indicates the Company's contractual obligations with their respective maturity dates at December 31, 2016, excluding future interest payments.

(unaudited) *(in thousands of dollars)*	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Unsecured revolving facility – *June 2020*	**770,353**	-	-	770,353	-
Term loan – *October 2018 & 2019*	**500,000**	-	500,000	-	-
Unsecured debentures – *December 2020*	**125,000**	-	-	125,000	-
Term loan – *August 2019*	**75,000**	-	75,000	-	-
Finance lease liabilities	**22,270**	9,869	12,250	151	-
Conditional sales contracts and other long-term debt	**99,297**	30,629	63,712	4,956	-
Operating leases (see commitments)	**475,521**	128,339	162,968	83,316	100,898
Total contractual obligations	**2,067,441**	**168,837**	**813,930**	**983,776**	**100,898**

As at December 31, 2016, the Company had $40.1 million of outstanding letters of credit ($32.6 million on December 31, 2015).

Term loans, having a carrying value of $559.1 million as at December 31, 2015, were fully repaid in February 2016 from the proceeds of the sale of the Waste group.

On June 22, 2016, TFI International reached an agreement to amend and extend its existing credit facility to June 2020. The facility is unsecured and can be extended annually. The total available amount was increased by $155 million to $1.2 billion and the agreement provides similar terms and covenants.

On August 18, 2016, the Company entered into a new loan agreement for $75 million. This loan takes the form of a term loan carrying an interest rate of 3.95% with an August 2019 maturity date. This term loan may be repaid, without penalty, after August 18, 2018, subject to the approval of the Company's syndicate of bank lenders.

On October 24, 2016, the Company entered into a term loan within the confines of the credit facility for the specific purpose of acquiring the North American truckload operations of XPO Logistics. This facility was for a total of $500 million, with $200 million due in October 2018 and $300 million due in October 2019. Early repayment of part of the balance will reduce the facility and cannot be re-borrowed. The terms and conditions of the facility are the same as the credit facility and are subject to the same covenants.

The following table indicates the Company's financial covenants to be maintained under its credit facility. These covenants are measured on a consolidated rolling twelve-month basis:

Covenants	***Requirements***	***As at December 31, 2016***
Funded debt-to-EBITDA ratio [ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income tax, depreciation and amortization ("EBITDA"), including last twelve months adjusted EBITDA from business acquisitions]	< 3.50	2.82
EBITDAR-to-interest and rent ratio [ratio of EBITDAR (EBITDA before rent and including last twelve months adjusted EBITDAR from business acquisitions) to interest and net rent expenses]	> 1.75	3.60

The Company believes it will be in compliance with these covenants for the next twelve months.

Commitments, contingencies and off-balance sheet arrangements

The following table indicates the Company's commitments with their respective terms at December 31, 2016.

(unaudited) *(in thousands of dollars)*	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**After 5 years**
Operating leases – rolling stock	**111,202**	48,844	50,521	11,779	58
Operating leases – real estate & others	**364,319**	79,495	112,447	71,537	100,840
Total off-balance sheet obligations	**475,521**	**128,339**	**162,968**	**83,316**	**100,898**

Long-term real estate leases totalling $364.3 million includes seven significant real estate commitments for an aggregate value of $161.1 million, which expire between 2024 and 2035. A total of 304 properties constitute the remaining real estate operating leases.

Dividends and outstanding share data

Dividends

The Company declared $17.4 million in dividends, or 19 cents per outstanding common share, in the fourth quarter of 2016. For the year ended December 31, 2016, dividends declared were $64.9 million, or 70 cents per outstanding common share.

On October 20, 2016, the Board of Directors approved a 12% dividend increase over its previous quarterly dividend of $0.17 per share. This increase is in keeping with TFI International's stated dividend policy and reflects the Company's ability to generate a strong free cash flow.

NCIB on common shares

Pursuant to the renewal of the normal course issuer bid ("NCIB"), which began on September 30, 2016 and will expire on September 29, 2017, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. The Board of TFI International believes that, at appropriate times, repurchasing its shares through the NCIB represents a good use of TFI International's financial resources, as such action can protect and enhance shareholder value when opportunities or volatility arise.

For the year ended December 31, 2016, the Company repurchased 3,742,778 common shares (2015 – 4,834,300) at a price ranging from $22.00 to $27.30 (2015 - $21.93 to $27.92) for a total purchase price of $91.8 million (2015 - $121.8 million).

SIB on common shares

On February 11, 2016, the Company announced a substantial issuer bid ("SIB") to purchase, for cancellation, up to 10 million common shares for an aggregate purchase price not to exceed $220 million (the "Offer").

The Offer was made by way of a "modified Dutch Auction" pursuant to which shareholders may tender all or a portion of their shares at a price not less than $19.00 and not more than $22.00 per share, in increments of $0.10 per share, or without specifying a purchase price, in which case their shares would be purchased at the purchase price determined in accordance with the Offer.

The offer expired on March 28, 2016. In Q1, TFI International purchased and cancelled 2,699,924 common shares at a price of $22.00 per share, for a total purchase price of $59.4 million under this SIB.

Outstanding shares, stock options and restricted share units

A total of 91,575,319 common shares were outstanding as at December 31, 2016 (December 2015 – 97,632,502). There was no significant change in the Company's outstanding share capital between December 31, 2016 and February 16, 2017.

As at December 31, 2016, the number of outstanding options to acquire common shares issued under the Company's stock option plan was 5,495,887 (December 2015 – 4,933,922) of which 3,763,656 were exercisable (December 2015 – 3,450,848). On July 21, 2016, the Board of Directors approved the grant of 1,038,657 stock options under the Company's stock option plan. Each stock option entitles the holder to purchase one common share of the Company at an exercise price based on the closing price of the volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the effective date of the grant.

As at December 31, 2016, the number of restricted share units (''RSUs'') granted under the Company's equity incentive plan to the benefit of its senior employees was 281,027 (December 2015 – 224,033). On July 21, 2016, the Board of Directors approved the grant of 142,799 RSUs under the Company equity incentive plan. The RSUs will vest after 2.5 consecutive years of service from the grant date. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

Legal proceedings

The Company is involved in litigation arising from the ordinary course of business primarily involving claims for bodily injury and property damage. It is not feasible to predict or determine the outcome of these or similar proceedings. However, the Company believes the ultimate recovery or liability, if any, resulting from such litigation individually or in total would not materially adversely affect the Company's financial condition or performance and, if necessary, have been provided for in the financial statements.

Subsequent event

On January 28, 2017, the Company acquired Cavalier Transportation Services Inc. ("Cavalier") for $37.2 million. Cavalier provides domestic and U.S. service in the Great Lakes region in the LTL segment.

OUTLOOK

TFI International is cautiously optimistic in regards to the North American economy. Unemployment is low and consumer spending remains solid. Moreover, rising oil prices have given way to a modest rebound in the level of investment in that sector. These factors should produce a gradual recovery in freight volume and rates.

Notwithstanding this favourable outlook, current conditions remain relatively challenging, which should limit organic growth over the short-term. Consequently, key drivers for revenue and operating income growth remain further efficiency improvement, asset rationalization, tight cost controls, as well as the execution of a disciplined acquisition strategy in the fragmented North American transportation and logistics market.

In the Package and Courier and LTL segments, TFI International's priorities remain the consolidation of its operations, administration and IT platforms where more savings and efficiency gains can be achieved. In Package and Courier, TFI International will remain proactive in implementing measures to further optimize asset utilization, which includes completing the optimization of businesses in U.S. same-day operations. These initiatives will allow TFI International to be in a favourable position to capture an increasing share of the growing e-commerce delivery business.

In LTL, the lower value of the Canadian dollar provides opportunities for export-oriented manufacturers, but the Company will remain disciplined in adapting supply to demand, as overcapacity continues to affect the industry. To this end, the Company will continue to focus on major cities and high-density regions to enhance value. Finally, TFI International will seek to further expand its capabilities in asset-light intermodal activities that generate higher returns.

In the TL market, TFI International's priority is to leverage its enhanced density in the U.S. and in Mexican cross-border activities following the acquisition of CFI. The Company will also continue to focus on its asset-light strategy and seek additional brokerage revenue, which generates a higher return on capital employed. TFI International will remain disciplined in regards to supply management, while sustaining its efforts to optimize the utilization of existing assets. The Company will continue to deploy leading-edge analytical tools across its network in order to allow its people to make appropriate business decisions and maximize returns. As the TL market remains fragmented, TFI International also aims to gain further size and density across North America by pursuing its selective business acquisition strategy.

Finally, the Company believes it can further grow its presence in the Logistics sector, as these non-asset-based activities represent a strategic complement to conventional transportation services. Logistics requires less capital to reinvest in, thereby generating solid free cash flow.

As the Company continues to gradually adopt an asset-light business model, capital will be increasingly deployed in initiatives that provide a better return on capital employed and solid cash flow. In so doing, TFI International aims to increasingly distinguish itself by providing innovative, value-added solutions to its growing North American customer base. TFI International will continue to re-invest its free cash flow after dividends where it sees the highest risk adjusted return opportunities, which could include share repurchases, debt reimbursement, or acquisitions.

TFI International is well positioned to benefit significantly when the economy recovers more vigorously, and management is confident that the steps it has taken and has planned will continue to grow shareholder value. The Company aims to deliver on this commitment by adhering to its operating principles and by executing its strategy with the same discipline and rigour that have made TFI International a North American leader in the transportation and logistics industry.

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

(unaudited) - (in millions of dollars, except per share data)	Q4'16	Q3'16	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15	Q1'15
Total revenue	1,036.4	975.5	977.8	934.2	1,026.8	1,009.7	1,029.9	963.6
EBITDA from continuing operations[1]	130.3	117.0	118.1	85.9	111.8	117.2	136.6	87.0
Operating income	72.1	72.4	73.4	40.3	66.5	72.8	93.3	44.0
Adjusted net income from continuing operations[1]	52.2	56.4	54.9	31.5	42.9	48.6	66.6	27.5
Adjusted EPS from continuing operations - diluted[1]	0.49	0.60	0.58	0.32	0.43	0.48	0.65	0.26
Net income	45.3	51.5	39.1	503.6	43.6	41.6	64.1	14.0
EPS – basic	0.50	0.56	0.42	5.16	0.45	0.42	0.63	0.14
EPS – diluted	0.48	0.55	0.41	5.09	0.44	0.41	0.62	0.13
Net income from continuing operations	46.4	51.1	44.3	15.3	40.6	31.9	60.2	13.0
EPS from continuing operations – basic	0.51	0.55	0.47	0.16	0.42	0.32	0.59	0.13
EPS from continuing operations – diluted	0.49	0.54	0.47	0.15	0.41	0.32	0.58	0.12

The differences between the quarters are mainly the result of business acquisitions. In Q1 2016, higher net income and basic and diluted EPS are mainly due to the $490.8 million after-tax gain on the sale of the Waste Management segment.

[1] *Refer to the section "Non-IFRS financial measures".*

NON-IFRS FINANCIAL MEASURES

Financial data have been prepared in conformity with IFRS. However, certain measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because that information is an appropriate measure for evaluating the Company’s operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of business performance. These measures should be considered in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS.

Adjusted net income from continuing operations: Net income excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, net income or loss from discontinued operations and items that are not in the Company’s normal business, net of tax. In presenting an adjusted net income from continuing operations and adjusted earnings per share from continuing operations, the Company’s intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks, non-compete agreements and permits accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company’s ability to generate similar future cash flows. See reconciliation on page 7.

Adjusted earnings per share from continuing operations: Adjusted net income from continuing operations divided by the weighted average number of common shares outstanding.

EBITDA from continuing operations: Net income from continuing operations before finance income and costs, income tax expense, depreciation and amortization. Management believes EBITDA from continuing operations to be a useful supplemental measure. EBITDA from continuing operations is provided to assist in determining the ability of the Company to generate cash from its operations.

Operating income: Net income from continuing operations before finance income and costs and income tax expense as stated in the consolidated financial statements.

Operating margin and EBITDA margin are calculated as a percentage of revenue before fuel surcharge.

EBITDA from continuing operations *(unaudited)* *(in thousands of dollars)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Net income from continuing operations	**46,387**	40,605	**157,059**	145,732
Net finance costs	**11,266**	8,938	**54,882**	75,705
Income tax expense	**14,446**	16,941	**46,272**	55,024
Operating income	**72,099**	66,484	**258,213**	276,461
Depreciation of property and equipment	**42,993**	32,854	**139,439**	129,096
Amortization of intangible assets	**15,233**	12,466	**53,647**	47,130
EBITDA from continuing operations	**130,325**	111,804	**451,299**	452,687

Free cash flow from continuing operations: Net cash from operating activities from continuing operations less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 15.

Free cash flow from continuing operations per share: Free cash flow from continuing operations divided by the weighted average number of common shares outstanding.

Operating expenses: Operating expenses, as defined in the consolidated financial statements.

Adjusted operating ratio: Operating expenses, net of fuel surcharge revenue, divided by revenue before fuel surcharge. Although the adjusted operating ratio is not a recognized financial measure defined by IFRS, it is a widely recognized measure in the transportation industry, which we believe provides a comparable benchmark for evaluating the Company's performance. Also, to facilitate the comparison of business level activity and operating costs between periods, the Company compares the revenue before fuel surcharge ("revenue") and reallocates the fuel surcharge revenue to materials and services expenses within operating expenses.

Adjusted operating ratio *(unaudited)* *(in thousands of dollars)*	**Fourth quarters ended December 31**		**Years ended December 31**	
	2016	2015	**2016**	2015
Operating expenses	**1,065,635**	960,306	**3,766,995**	3,753,428
Fuel surcharge revenue	**(101,288)**	(88,058)	**(320,720)**	(399,026)
Operating expenses (net of fuel surcharge revenue)	**964,347**	872,248	**3,446,275**	3,354,402
Revenue before fuel surcharge	**1,036,446**	938,732	**3,704,488**	3,630,863
Adjusted operating ratio	**93.0%**	92.9%	**93.0%**	92.4%

RISKS AND UNCERTAINTIES

The Company's future results may be affected by a number of factors over some of which the Company has little or no control. The following discussion of risk factors contains forward-looking statements. The following issues, uncertainties and risks, among others, should be considered in evaluating the Company's business and growth outlook:

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

- the Company competes with many other transportation companies of varying sizes, including United States and Mexican transportation companies;
- the Company's competitors may periodically reduce their freight rates to gain business, which may limit the Company's ability to maintain or increase freight rates or maintain growth in the Company's business;
- some of the Company's customers are other transportation companies or also operate their own private trucking fleets, and they may decide to transport more of their own freight;
- some of the Company's customers may reduce the number of carriers they use by selecting so-called "core carriers" as approved service providers or by engaging dedicated providers, and in some instances the Company may not be selected;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some of the Company's business to competitors;
- the market for qualified drivers can be competitive, particularly in the Company's growing United States operations, and the Company's inability to attract and retain drivers could reduce the Company's equipment utilization or cause the Company to increase compensation, both of which would adversely affect the Company's profitability;
- economies of scale that may be passed on to smaller carriers by procurement aggregation providers may improve their ability to compete with the Company;
- some of the Company's smaller competitors may not yet be fully compliant with pending regulations, such as regulations requiring the use of electronic logging devices, which may allow such competitors to take advantage of additional driver productivity;
- advances in technology may require the Company to increase investments in order to remain competitive, and the Company's customers may not be willing to accept higher freight rates to cover the cost of these investments; and
- higher fuel prices and, in turn, higher fuel surcharges to the Company's customers may cause some of the Company's customers to consider freight transportation alternatives, including rail transportation.

Regulation. The Company operates in a highly-regulated industry, and changes in existing regulations or violations of existing or future regulations could have a materially adverse effect on the Company's operations and profitability. In Canada, carriers must obtain licenses issued by provincial transport boards in order to carry goods inter-provincially or to transport goods within any province. Licensing from United States and Mexican regulatory authorities is also required for the transportation of goods between Canada, the United States and Mexico. Any change in or violation of existing or future regulations could have an adverse impact on the scope of the Company's activities.

The Company is increasing the Company's operations in the United States, where the transportation industry is subject to regulation from various federal, state and local agencies. Drivers must comply with safety and fitness regulations, including those relating to drug and alcohol testing, driver safety performance and hours of service, and matters such as equipment weight and dimensions, exhaust emissions and fuel efficiency are also subject to government regulation.

The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and laws. Although the Company is committed to compliance with laws and safety, there is no assurance that it will be in full compliance with them at all times. Consequently, at some future time, the Company could be required to incur significant costs to maintain or improve its compliance record. Future laws and regulations may be more stringent, require changes in the Company's operating practices, influence the demand for transportation services or require the Company to incur additional significant costs.

International Operations. A growing portion of the Company's revenue is derived from operations in the United States and transportation to and from Mexico. The Company's international operations are subject to a variety of risks, including fluctuations in foreign currencies, changes in the economic strength or greater volatility in the economies of foreign countries in which the Company does business, difficulties in enforcing contractual rights and intellectual property rights, compliance burdens associated with export and import laws, and social, political and economic instability. The Company's international operations could be adversely affected by restrictions on travel. Additional risks associated with the Company's international operations include restrictive trade policies, imposition of duties, taxes or government royalties by foreign governments, adverse changes in the regulatory environments, including in tax laws and regulations, of the foreign countries in which the Company does business, compliance with anti-bribery laws, restrictions on the withdrawal of foreign investments, the ability to identify and retain qualified local managers and the challenge of managing a culturally and geographically diverse operation.

Operating Environment. The Company is subject to changes in its general operating environment. The Company is exposed to the following factors, among others, affecting its operating environment:

- the Company's future insurance and claims expense, including the cost of the Company's liability insurance premiums and the number and severity of claims, may exceed historical levels, which would require the Company to incur additional costs and could reduce the Company's earnings;
- declines in the demand for used revenue equipment could result in decreased equipment sales, lower resale values and lower gains (or recording losses) on sales of assets;
- increased prices for new revenue equipment, design changes of new engines, reduced equipment efficiency resulting from new engines designed to reduce emissions, or decreased availability of new revenue equipment; and
- adverse weather conditions can adversely affect the Company's revenue, as inclement weather may impede operations and may cause higher accident frequency, increased claims, more equipment repairs and decreased fuel efficiency due to increased engine idling.

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

The Company's industry is highly cyclical, and the Company's business is dependent on a number of factors that may have a materially adverse effect on the Company's results of operations, many of which are beyond the Company's control. The Company believes that some of the most significant of these factors include (i) excess tractor and trailer capacity in the transportation industry in comparison with shipping demand; (ii) declines in the resale value of used equipment; (iii) strikes, work stoppages or work slowdowns at the Company's facilities or at customer, port, border crossing or other shipping-related facilities; and (iv) increases in interest rates, fuel taxes, tolls and license and registration fees.

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

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

- the Company may experience a reduction in overall freight levels, which may impair the Company's asset utilization;
- freight patterns may change as supply chains are redesigned, resulting in an imbalance between the Company's capacity and customers' freight demand;
- customers may solicit bids for freight from multiple trucking companies or select competitors that offer lower rates in an attempt to lower their costs, and the Company may be forced to lower the Company's rates or lose freight; and
- lack of access to current sources of credit or lack of lender access to capital, leading to an inability to secure credit financing on satisfactory terms, or at all.

The Company is subject to cost increases that are outside the Company's control that could materially reduce the Company's profitability if the Company is unable to increase its rates sufficiently. Such cost increases include, but are not limited to, increases in fuel and energy prices, driver and office employee wages, purchased transportation costs, taxes, interest rates, tolls, license and registration fees, insurance premiums and claims, revenue equipment and related maintenance, and tires and other components. The Company could be affected by strikes or other work stoppages at the Company's service centers or at customer, port, border or other shipping locations. Further, the Company may not be able to appropriately adjust the Company's costs and staffing levels to changing market demands. In periods of rapid change, it is more difficult to match the Company's staffing level to the Company's business needs.

Changing impacts of regulatory measures could impair the Company's operating efficiency and productivity, decrease the Company's operating revenues and profitability and result in higher operating costs. From time to time, various taxes are also increased, including taxes on fuels. The Company cannot predict whether, or in what form, any such increase applicable to the Company will be enacted, but such an increase could adversely affect the Company's results of operations and profitability.

In addition, the Company cannot predict future economic conditions, fuel price fluctuations or changes in consumer confidence.

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

Currency Fluctuations. Significant fluctuations in relative currency values against the Canadian dollar could have a significant impact on the Company's future profitability. The Company's financial results are reported in Canadian dollars and a growing portion of the Company's revenue and operating costs are realized in currencies other than Canadian dollars, primarily United States dollars. The exchange rates between these currencies and the Canadian dollar have fluctuated in recent years and may continue to do so in the future. It is not possible to mitigate all exposure to fluctuations in foreign currency exchange rates. The results of operations are therefore affected by movements of these currencies against the Canadian dollar.

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

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

Insurance. The Company's operations are subject to risks inherent in the transportation sector, including personal injury, property damage, worker's compensation and employment and other issues. The Company's future insurance and claims expenses may exceed historical levels, which could reduce the Company's earnings. The Company subscribes for insurance in amounts it considers appropriate in the circumstances and having regard to industry norms. Like many players in the industry, the Company self-insures a significant portion of the claims exposure related to cargo loss, bodily injury, worker's compensation and property damages. Due to the Company's significant self-insured amounts, the Company has exposure to fluctuations in the number or severity of claims and the risk of being required to accrue or pay additional amounts if the Company's estimates are revised or claims ultimately prove to be more severe than originally assessed. Further, the Company's self-insured retention levels could change and result in more volatility than in recent years.

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

Employee and Company's Labour Relations. At the date hereof, the collective agreements between the Company and the vast majority of the Company's unionized employees have been renewed. The Company's unionized employees are all Canadian employees, and the Company does not currently have union contracts in place with respect to any of the Company's United States operations. Although the Company believes that the Company's relations with the Company's employees are satisfactory, no assurance can be given that the Company will be able to successfully extend or renegotiate the

Company's current collective agreements as they expire from time to time. If the Company fails to extend or renegotiate the Company's collective agreements, if disputes with the Company's unions arise, or if the Company's unionized workers engage in a strike or other work stoppage or interruption, the Company could experience a significant disruption of, or inefficiencies in, the Company's operations or incur higher labour costs, which could have a materially adverse effect on the Company's business, results of operations, financial condition and liquidity.

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

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

In addition, the Company and many other trucking companies suffer from a high turnover rate of drivers. This high turnover rate requires the Company to continually recruit a substantial number of drivers in order to operate existing revenue equipment. If the Company is unable to continue to attract and retain a sufficient number of drivers, the Company could be forced to, among other things, adjust the Company's compensation packages, increase the number of the Company's tractors without drivers or operate with fewer trucks and face difficulty meeting shipper demands, any of which could adversely affect the Company's growth and profitability.

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

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

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

Many of the Company's recent acquisitions have involved the purchase of stock of existing companies. These acquisitions, as well as acquisitions of substantially all of the assets of a company, may expose the Company to liability for actions taken by an acquired business and its management before the Company's acquisition. The due diligence the Company conducts in connection with an acquisition and any contractual guarantees or indemnities that the Company receives from the sellers of acquired companies may not be sufficient to protect the Company from, or compensate the Company for, actual liabilities. Generally, the representations made by the sellers, other than certain representations related to fundamental matters, such as ownership of capital stock, expire within several years of the closing. A material liability associated with an acquisition, especially where there is no right to indemnification, could adversely affect the Company's results of operations, financial condition and liquidity.

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

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

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

Environmental Matters. The Company uses storage tanks at certain of its Canadian and United States transportation terminals. Canadian and United States laws and regulations generally impose potential liability on the present or former owners or occupants or custodians of properties on which contamination has occurred. Although the Company is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on it, certain facilities have been in operation for many years and over such time, the Company or the prior owners, operators or custodians of the properties may have generated and disposed of wastes which are or may be considered hazardous. Liability may be imposed without regard to whether the Company knew of, or was responsible for, the presence or disposal of those substances. In addition, the presence of those substances, or the failure to properly dispose of or remove those substances, may adversely affect the Company's ability to sell or rent that property. There can be no assurance that the Company will not be required at some future date to incur significant costs to comply with environmental laws, or that the Company's operations, business or assets will not be materially affected by current or future environmental laws.

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

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

In addition, certain environmental regulations, particularly in the United States, limit exhaust emissions. The Company believes these requirements will result in increases in new tractor and trailer prices and additional parts and maintenance costs incurred to retrofit the Company's tractors and trailers with technology to achieve compliance with such exhaust emissions standards, which could adversely affect the Company's operating results and profitability, particularly if such costs are not offset by potential fuel savings. Furthermore, any future regulations that impose restrictions, caps, taxes or other controls on emissions of greenhouse gases could adversely affect the Company's operations and financial results. Until the timing, scope and extent of any future regulation becomes known, the Company cannot predict its effect on the Company's cost structure or the Company's operating results; however, any future regulation could impair the Company's operating efficiency and productivity and result in higher operating costs.

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

The Company could be subject to orders and other legal actions and procedures brought by governmental or private parties in connection with environmental contamination, emissions or discharges. Although the Company has instituted programs to monitor and control environmental risks and promote compliance with applicable environmental laws and regulations, if the Company is involved in a spill or other accident involving hazardous substances, if there are releases of hazardous substances the Company transports, if soil or groundwater contamination is found at the Company's facilities or results from the Company's operations, or if the Company is found to be in violation of applicable laws or regulations, the Company could be subject to cleanup costs and liabilities, including substantial fines or penalties or civil and criminal liability, any of which could have a materially adverse effect on the Company's business and operating results.

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

Dependence on Third Parties. Certain portions of the Company's business are dependent upon the services of third-party capacity providers, including other transportation companies. For that portion of the Company's business, the Company does not own or control the transportation assets that deliver the customers' freight, and the Company does not employ the people directly involved in delivering the freight. This reliance could also cause delays in reporting certain events, including recognizing revenue and claims. These third-party providers seek other freight opportunities and may require increased compensation in times of improved freight demand or tight trucking capacity. The Company's inability to secure the services of these third parties could significantly limit the Company's ability to serve its customers on competitive terms. Additionally, if the Company is unable to secure sufficient equipment or other transportation services to meet the Company's commitments to the Company's customers or provide the Company's services on competitive terms, the Company's operating results could be materially and adversely affected. The Company's ability to secure sufficient equipment or other transportation services is affected by many risks beyond the Company's control, including equipment shortages in the transportation industry, particularly among contracted carriers, interruptions in service due to labour disputes, changes in regulations impacting transportation and changes in transportation rates.

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

Credit Facilities. The Company's credit facilities and financing agreements mature on various dates. The Company has significant ongoing capital requirements that could affect the Company's profitability if the Company is unable to generate sufficient cash from operations and/or obtain financing on favourable terms. There can be no assurance that such credit facilities or financing agreements will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to the Company. The Company's ability to pay dividends to shareholders and ability to purchase new revenue equipment may be adversely affected if the Company is not able to renew its credit facilities or arrange refinancing, or if such renewal or refinancing, as the case may be, occurs on terms materially less favourable to the Company than at present. If the Company is unable to generate sufficient cash flow from operations and obtain financing on terms favourable to the Company in the future, the Company may have to limit the Company's fleet size, enter into less favourable financing arrangements or operate the Company's revenue equipment for longer periods, any of which may have a materially adverse effect on the Company's operations.

Customer and Credit Risks. The Company provides services to clients primarily in Canada, the United States and Mexico. The concentration of credit risk to which the Company is exposed is limited due to the significant number of customers that make up its client base and their distribution across different geographic areas. Furthermore, no client accounted for more than 5% of the Company's total accounts receivable for the period ended as of the date hereof. Generally, the Company does not have long-term contracts with the Company's major customers. Accordingly, in response to economic conditions, supply and demand factors in the industry, the Company's performance, the Company's customers' internal initiatives or other factors, the Company's customers may reduce or eliminate their use of the Company's services, or may threaten to do so to gain pricing and other concessions from the Company.

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

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

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

The Company's operations and those of the Company's technology and communications service providers are vulnerable to interruption by natural and man-made disasters and other events beyond the Company's control. If any of the Company's critical information systems fail, are breached or become otherwise unavailable, the Company's ability to manage the Company's fleet efficiently, to respond to customers' requests effectively, to maintain billing and other records reliably, to maintain the confidentiality of the Company's data and to bill for services and prepare financial statements accurately or in a timely manner would be challenged. Any significant system failure, upgrade complication, security breach or other system disruption could interrupt or delay the Company's operations, damage the Company's reputation, cause the Company to lose customers, cause the Company to incur costs to repair the Company's systems or in respect of litigation or impact the Company's ability to manage the Company's operations and report the Company's financial performance, any of which could have a materially adverse effect on the Company's business.

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, the disclosures about contingent assets and liabilities, and the reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, identified assets and liabilities acquired in business combinations, other long-lived assets, income taxes, site restoration obligations and pension obligations. These estimates and assumptions are based on management's best estimates and judgments.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions are recognized in the period in which the estimates are revised.

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

The following new standards, and amendments to standards and interpretations, are effective for the first time for interim periods beginning on or after January 1, 2016 and have been applied in preparing the consolidated financial statements:

- Annual Improvements to IFRS (2012-2014 cycle)
- Disclosure Initiative: Amendments to IAS 1
- IFRS 9, Financial Instruments (2014)

These new standards did not have a significant impact on the Company's consolidated financial statements.

To be adopted in future periods

The following new standards and amendments to standards are not yet effective for the year ended December 31, 2016, and have not been applied in preparing the consolidated financial statements:

- IFRS 15, Revenue from Contracts with Customers
- IFRS 16, Leases
- Disclosure Initiative: Amendments to IAS 7
- Recognition of Deferred Tax Assets for Unrealized Losses: Amendments to IAS 12
- Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2
- Annual Improvements to IFRS Standards (2014-2016 cycle)
- IFRIC 22, Foreign Currency Transactions and Advance Consideration

Further information can be found in note 3 of the December 31, 2016 consolidated financial statements.

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Company has filed certificates signed by the

President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

- their responsibility for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company; and
- the design and effectiveness of disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting.

Disclosure controls and procedures ("DC&P")

The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim and annual filings are being prepared; and
- information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

As at December 31, 2016, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Company's DC&P. Based on this evaluation, the CEO and the CFO concluded that the Company's DC&P were appropriately designed and were operating effectively as at December 31, 2016.

Internal controls over financial reporting ("ICFR")

The CEO and CFO have also designed ICFR, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2016, an evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the Company's ICFR. Based on this evaluation, the CEO and the CFO concluded that the ICFR were appropriately designed and were operating effectively as at December 31, 2016, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on Internal Control – Integrated Framework (2013 framework).

Limitation on scope of design

The Company has limited the scope of its DC&P and ICFR to exclude controls, policies and procedures of CFI acquired not more than 365 days before the last day of the period covered by the annual filing. The Company elected to exclude it from the scope of certification as allowed by NI 52-109. The Company intends to perform such testing within one year of acquisition.

The chart below presents the summary financial information included in the Company's consolidated financial statements for the excluded business:

(unaudited) *(in thousands of dollars)*	CFI
Statement of Financial Position	
Current assets	106,390
Non-current assets	896,097
Current liabilities	61,130
Non-current liabilities	208,888
Statement of Comprehensive Income	
Total revenue	119,880
Net income	1,844

Changes in internal controls over financial reporting

No changes were made to the Company's ICFR during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.