



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 23, 2010

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

Place: Toronto Stock Exchange
Exchange Tower
130 King Street West
Toronto, Ontario

Date: April 23, 2010

Time: 1:00 p.m.

The purposes of the Meeting are to:

1. receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2009 and the auditors’ report thereon;
2. elect the directors of the Corporation;
3. appoint the auditors of the Corporation and authorize the directors to fix their remuneration; and
4. transact such other business as may properly be brought before the Meeting.

If you are unable to attend the Meeting in person, please date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 5:00 p.m. (Montreal time) on April 21, 2010 or with the Chairman of the Meeting before the commencement of the Meeting.

SIGNED at Montreal, Québec
March 11, 2010

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "Alain Bédard", written over a circular stamp or seal.

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

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular is furnished in connection with the solicitation by the management of TransForce Inc. (the "Corporation") of proxies to be used at the Annual Meeting of shareholders of the Corporation (the "Meeting") to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy of the Corporation are directors and officers of the Corporation. **A Shareholder has the right to appoint as his/her proxy a person, who need not be a Shareholder, other than those whose names are printed on the accompanying form of proxy.** A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. Proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada at the address indicated in the Notice of Meeting no later than 5:00 p.m. (Montreal time) on April 21, 2010 or with the Chairman of the Meeting before the commencement of the Meeting.

A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with Computershare Trust Company of Canada at the address indicated in the Notice of Meeting no later than 5:00 p.m. (Montreal time) on April 21, 2010, or with the Chairman of the Meeting before the commencement of the Meeting.

EXERCISE OF DISCRETION BY PROXIES

Common shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted for the: (i) election of the directors of the Corporation; and (ii) appointment of auditors of the Corporation and authorizing the directors to fix their remuneration, as stated under such headings in this Management Proxy Circular. With respect to other matters which may properly come before the Meeting, such common shares will be voted by the persons so designated in their discretion. At the time of printing this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters.

VOTING SHARES

As at March 11, 2010, there were 95,253,937 common shares of the Corporation issued and outstanding. Each common share entitles the holder thereof to one vote. The Corporation has fixed March 11, 2010 as the record date for the purpose of determining shareholders entitled to receive Notice of the Meeting.

Pursuant to the *Canada Business Corporations Act* ("CBCA"), the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of common shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the common shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during usual business hours at the head office of the Corporation, 8585 Trans-Canada Highway, Suite 300, Saint-Laurent, Québec H4S 1Z6 and at the Meeting.

NON-REGISTERED SHAREHOLDERS

Only a registered shareholder or a person appointed by a registered shareholder as its proxy is permitted to vote at the Meeting. In order to permit voting of shares by persons who beneficially own them (the "**Non-Registered Holders**"), and in accordance with National Instrument 54-101 of the Canadian Securities Administrators, entitled "Communication with Beneficial Owners of Securities of a Reporting Issuer", the Corporation has distributed copies of the Notice of Meeting and the Management Proxy Circular (collectively, the "**Meeting Materials**") to the various intermediaries (the

“**Intermediaries**”) that Non-Registered Holders deal with in respect of the shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose. Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called a “voting instruction form”) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the voting instruction form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the internet or through a toll-free telephone number; or
- (b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Trust Company of Canada at the address set out above.

In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

PRINCIPAL SHAREHOLDER

As at March 11, 2010, to the best knowledge of the Corporation, the following is the only person who beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the issued and outstanding common shares of the Corporation:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage</u>
Emanuele (Lino) Saputo ⁽¹⁾	16,033,432 ⁽²⁾	16.83%

⁽¹⁾ The information as to shares over which Mr. Emanuele (Lino) Saputo exercises control or direction is not within the knowledge of the Corporation and has been provided by Mr. Saputo.

⁽²⁾ This number includes 15,982,212 common shares (including 9,269 Deferred Share Units) of the Corporation held by Jolina Capital Inc. and 51,220 common shares of the Corporation held by Placements Jolina Inc., two holding companies controlled by Mr. Emanuele (Lino) Saputo.

ELECTION OF DIRECTORS OF THE CORPORATION

The Board of Directors currently consists of eight directors. **Unless otherwise specified, the persons named in the enclosed form of proxy intend to vote for the election of the eight nominees whose names are set forth below.** Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless his office is earlier vacated in accordance with the by-laws of the Corporation. All of the persons named in the table below are currently members of the Board of Directors.

The following table sets out the names of each of the persons proposed to be nominated for election as a director, all positions and offices with the Corporation and its subsidiaries now held by each such person, his municipality of residence, age and principal occupation, the year in which such person became a director of the Corporation or its predecessors, and the number of common shares of the Corporation over which control or direction is exercised by such person as of March 11, 2010.

Name, municipality of residence and position with the Corporation	Age	Principal occupation	First year as director of the Corporation or its predecessors	Number of shares beneficially owned or over which control or direction is exercised as at March 11, 2010⁽⁴⁾
Alain Bédard, C.A., C.M.A. Calgary, Alberta, Canada Chairman of the Board of Directors President and Chief Executive Officer and interim Chief Financial Officer	56	President and Chief Executive Officer of the Corporation	1993	4,621,440
André Bérard ⁽¹⁾⁽³⁾ Montreal, Québec, Canada Lead Director	69	Corporate Director	2003	45,124
Lucien Bouchard ⁽³⁾ Montreal, Québec, Canada Director Chairman of the Corporate Governance and Nominating Committee	71	Partner Davies Ward Phillips & Vineberg LLP (law firm)	2007	12,399
Richard Guay ⁽¹⁾⁽²⁾ Montreal, Québec, Canada Director Chairman of the Human Resources and Compensation Committee	59	Consultant and Corporate Director	2004	20,421
Ronald D. Rogers ⁽¹⁾⁽³⁾ Calgary, Alberta, Canada Director Chairman of the Audit Committee	65	Corporate Director	2006	33,212
Joey Saputo ⁽²⁾ Montreal, Québec, Canada Director	45	President Gestion Soplajoey Inc. (private holding company)	1996	172,989
Emanuele (Lino) Saputo Montreal, Québec, Canada Director	72	Chairman of the Board Saputo Inc. (dairy processor)	2008	16,033,432 ⁽⁵⁾
H. John Stollery ⁽²⁾ Mississauga, Ontario, Canada Director	70	Chairman of the Board Process Capital Corporation (manufacturing company)	2000	3,828

⁽¹⁾ Member of the Audit Committee.

⁽²⁾ Member of the Human Resources and Compensation Committee.

⁽³⁾ Member of the Corporate Governance and Nominating Committee.

⁽⁴⁾ Total number of shares includes common shares and Deferred Share Units (“DSU”).

⁽⁵⁾ This number includes 15,982,212 common shares (including 9,269 DSU) of the Corporation held by Jolina Capital Inc. and 51,220 common shares of the Corporation held by Placements Jolina Inc., two holding companies controlled by Mr. Emanuele (Lino) Saputo.

The information as to shares over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually.

Other than as may be set out below, each of the nominees has held the principal occupation set out above for the last five years. The following are brief biographies of the nominees:

Alain Bédard studied accounting and finance at the University of Sherbrooke, Québec. After graduating, he joined the accounting firm KPMG, where he advanced to the position of Senior Auditor. From 1978 to 1984, Mr. Bédard was Controller of Normick Perron Inc. He then joined Saputo Inc., a leading Canadian food company, where he worked for eleven years and became Vice-President of Finance. In 1993, he replaced Mr. Emanuele (Lino) Saputo on the Board of Directors of the Corporation and became its Chief Executive Officer in 1996 and Chairman of the Board in 1997. Mr. Bédard quickly aligned the Corporation with his strategic vision.

André Bérard retired as Chief Executive Officer of the National Bank of Canada in January 2002 and as Chairman of the Board in March 2004, following more than 40 years with the Bank.

Lucien Bouchard is a partner with the law firm Davies Ward Phillips & Vineberg LLP, where he practices corporate and commercial law, is a negotiator and mediator for significant commercial and labour disputes, and advises major corporations on strategy and policy. He was Premier of Québec from 1996 to 2001, served in the federal cabinet and was Leader of the Opposition in the House of Commons. Prior to his political career, Mr. Bouchard was Canada's ambassador to France from 1985 to 1988.

Richard Guay is a consultant and corporate director and is currently a consultant for Melior Development Inc., an owner and manager of seniors' residences in Québec. Mr. Guay was Senior Executive Vice-President, Retail and Commercial Financial Services, of the Laurentian Bank of Canada until his retirement in 2003. Prior to joining the Laurentian Bank, Mr. Guay worked at the National Bank of Canada.

Ronald D. Rogers retired in September 2004 as Chief Financial Officer and Senior Vice-President of Shaw Communications Inc. Prior to that, he held Vice-President positions with the Crown Management Board of Saskatchewan, Moore Corporation and Warrington Inc. In addition, he was President of Greb Footwear (the footwear division of Warrington). He has been involved in many mergers and acquisitions and financial transactions in North America, Europe, Australia and Asia involving both public and private companies. Mr. Rogers is also a director of Corus Entertainment Inc. and Parkland Income Fund.

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

Emanuele (Lino) Saputo is the founder and Chairman of the Board of Directors of Saputo Inc., the 11th largest dairy processor in the world.

H. John Stollery has been Chairman of Process Capital Corporation since 2000. Prior to joining Process Capital, he was Chief Executive Officer of TST Solutions Inc., TNT Canada and TNT North America. Mr. Stollery has served as Chairman of the Canadian Trucking Alliance, Treasurer and Vice-Chairman of the Ontario Trucking Association and as a board member of the Canadian Tariff Committee of the Freight Carriers Association of Canada. In 1996, Mr. Stollery was named "Transportation Person of the Year" for Ontario. Prior to entering the trucking industry, Mr. Stollery was President of ICG Propane and held numerous Vice-President positions with Xerox Canada.

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

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

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

with the exception of: (i) Alain Bédard and Emanuele (Lino) Saputo, who were directors of Arbec Forest Products Inc. (formerly Uniforêt Inc.), which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in April 2001. In May 2003, the company entered into a plan of arrangement with its creditors, and completed the implementation of this plan in February 2004; (ii) Ronald D. Rogers, who was a director of GT Group Telecom Inc., sitting on the Board of Directors as a representative of Shaw Communications Inc. In early June 2002, Mr. Rogers resigned as a director of GT Group Telecom Inc., which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in late June 2002; (iii) Joey Saputo, who was a director of 3741851 Canada Inc. (formerly Expert Medic Inc.), which was declared bankrupt under the *Bankruptcy and Insolvency Act* (Canada) on August 30, 2005; and (iv) Richard Guay, who sits as a representative of Investissement Québec on the Board of Directors of Trimag G.P. Inc., the general partner of Trimag, S.E.C., a limited partnership which filed for protection under the *Companies' Creditors Arrangement Act* (Canada) in April 2009. In September 2009, the partnership entered into a plan of arrangement with its creditors and is currently completing the implementation of such plan.

To the knowledge of the Corporation, none of the foregoing nominees for election as a director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION – COMPENSATION DISCUSSION AND ANALYSIS

1.0 Determining Compensation

1.1 The Human Resources and Compensation Committee (the "HRCC")

The HRCC is composed of Richard Guay (Chair), Joey Saputo and H. John Stollery. No member of the HRCC is an officer, executive or employee of the Corporation or of a Corporation's subsidiary.

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

1.2 The HRCC's role regarding compensation

The HRCC monitors and assesses the performance of the NEOs and determines compensation levels on an annual basis. In its assessment of the annual compensation of the NEOs, the HRCC takes into consideration the median compensation paid by other Canadian companies of comparable size and the absolute and relative performance of the Corporation relative to such other companies. In addition, the HRCC takes into account other relevant factors such as pension benefits and costs. During

the 2009 financial year, the HRCC held *in camera* sessions without management present to discuss the compensation of the President and Chief Executive Officer.

The following table summarizes the respective roles of the HRCC and management with regards to compensation decisions.

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

1.3 Compensation Philosophy and Program Objectives

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

1.4 Benchmarking Practices and Positioning

The Corporation's compensation philosophy is to position base salary at market median and to align total cash compensation (base salary and short-term incentives) and total direct compensation (total cash compensation and long-term incentives) with performance, i.e. pay at the 75th percentile for performance, which is at or above the 75th percentile against its peers (the comparator group).

The composition of the comparator group is reviewed periodically by the HRCC, to ensure its continued relevance. The comparator group is composed of Canadian companies of similar size from various industries to reflect the scope of the executive roles, as well as other Canadian companies with which the Corporation competes for executive talent within the same industry, regardless of size. The report produced using the comparator group is consulted by the HRCC. The comparator group used in the 2007 compensation benchmarking exercise included the following businesses:

- Altagas Income Trust
- ATS Automation Tooling Systems Inc.
- Brick Group Income Fund
- Connors Bros Income Fund
- Cott Corp.
- Dorel Industries Inc.
- Energy Savings Income Fund
- Fording Canadian Coal Trust
- Gaz Metro
- Kingsway Financial Services Inc.
- Gildan Activewear Inc.
- Linamar Corp.
- Rona Inc.
- Superior Plus Income Fund
- Torstar Corp.
- Transcontinental Inc.
- Yellow Pages Income Fund

1.5 Compensation Consultant

The HRCC has the authority to retain any independent consultants to advise its members on total compensation policy issues. During the 2009 fiscal year, the HRCC retained the services of Mercer (Canada) Inc. to provide advice on various executive-compensation matters.

1.6 Compensation Elements

The Corporation's executive compensation program is structured in three main components: base salary, short-term incentives (bonuses), and long-term incentives, including stock options (2008 Stock Option Plan). The following discussion describes the Corporation's plans by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. In establishing the executive compensation program, the Corporation believes that:

- ❖ base salaries provide an immediate cash incentive for the Corporation's executive officers and should be at levels competitive with the comparator group that competes with the Corporation for business opportunities and executive talent;
- ❖ short-term incentives encourage and reward performance over the financial year compared to predefined goals and objectives and reflect progress toward company-wide performance objectives and personal objectives; and
- ❖ long-term incentives ensure that the executive officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value and provide capital accumulation linked directly to the Corporation's performance.

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

1.6.1 Base Salary

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

1.6.2 Short-Term Incentive Plan ("STIP")

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

For the positions of CEO and CFO, the STIP is based on financial and non-financial strategic objectives. For other executives, the STIP has two components, where 80% is based on attainment of the 2009 EBIT/EBITDAR measures budget and 20% is based on individual objectives. The Board of Directors, upon recommendation by the HRCC, may review the objectives based on individual circumstances as deemed appropriate. In order to be eligible to receive the portion of the STIP in respect to the financial objectives component, a threshold of 80% of the 2009 Revenues/EBIT/EBITDA/EBITDAR measures budget must be attained.

The following table describes the performance weightings for the STIP:

Position	Performance indicator	Weighting	Performance level		
			Threshold	Partial	Target and maximum
President & CEO	Revenues, EBIT, EBITDA and EBITDAR	50%	Performance: below 80% of target financial objectives Payout: 0%	Performance: between 80-100% of target financial objectives Payout: proportional to attainment	Performance: 100% or more of target financial objectives Payout: 100%
	Non-financial strategic objectives	50%			
CFO	Revenues, EBIT, EBITDA and EBITDAR	40%			
	Other financial and non-financial strategic objectives	60%			
Other NEOs	EBIT/EBITDAR	80%			
	Individual objectives	20%			

The following table describes the potential STIP payouts as a percentage of base salary for the NEOs in 2009:

Position	Minimum	Maximum
President & CEO	0%	200%
CFO	0%	40%
Other NEOs	0%	35%-60%

During the 2009 fiscal year, the HRCC approved the payment of an aggregate of \$1,108,750 under the STIP for the NEOs.

1.6.3 Long-Term Incentive Plan (“LTIP”)

1.6.3.1 Stock Option Plan

On May 12, 2008, the Board of Directors approved the 2008 Stock Option Plan (the “SOP”) for designated officers and key employees of the Corporation and its subsidiaries (the “Participants”). The shareholders of the Corporation approved the SOP on April 24, 2009. The SOP also incorporates amendments adopted by the Board of Directors on April 24, 2009 and July 22, 2009.

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

The following is a description of the main provisions of the SOP:

The SOP is administered by the Board of Directors, which delegates this responsibility to the HRCC. The maximum number of common shares which may be issued pursuant to the SOP is equal to 10% of the number of issued and outstanding shares of the Corporation from time to time. Shares in respect of which options are not exercised, due to the expiration, termination or lapse of such options, are available for options to be granted thereafter. As of March 11, 2010, there were options outstanding in respect of 1,882,600 shares and options, available for grant in respect of 7,642,793 shares, representing 1.98% and 8.02% of the issued and outstanding shares, respectively.

The number of shares issuable to insiders (as defined in the *Securities Act* (Ontario)), at any time, under the SOP and all security-based compensation arrangements of the Corporation, cannot exceed 10% of issued and outstanding shares of the Corporation; and the number of shares issued to insiders, within any one-year period, under all security-based compensation arrangements of the Corporation, cannot exceed 10% of issued and outstanding shares. A single person cannot at any time hold options in respect of more than 5% of the number of issued and outstanding shares from time to time. In addition, the SOP does not permit the issuance to an insider or to any associate of an insider, within a one-year period, of a number of shares exceeding 5% of the number of issued and outstanding shares of the Corporation from time to time.

The option exercise price is fixed by the Board of Directors of the Corporation at the time of granting an option. The exercise price cannot be less than the volume weighted average trading price of the common shares of the Corporation on the TSX during the last five days on which the shares traded on the TSX immediately prior to the day on which the option is granted.

At the time of granting an option, the Board of Directors, at its discretion, may set a “vesting schedule”, that is, one or more dates from which an option may be exercised in whole or in part. In such event, the Board of Directors is not under any obligation to set a “vesting schedule” in respect of any other option granted under the SOP.

The SOP provides that the term of any option may not exceed ten years from the effective date of grant. However, if an option is to expire during a period when a Participant is prohibited by the Corporation from trading in the Corporation’s shares pursuant to the policies of the Corporation (a “Blackout Period”), or within ten business days of the expiry of such Blackout Period, the term of such option is automatically extended for a period of ten business days immediately following the end of the Blackout Period.

If an optionee’s employment with the Corporation is terminated for serious reason, any option not exercised prior to the date of termination immediately lapses and becomes null and void. If an optionee retires, dies or becomes permanently disabled while employed by the Corporation, any option or unexercised part thereof granted to such optionee may be exercised by the optionee or the person to whom the option is transferred by will or the laws of succession and distribution only for that

number of shares which he was entitled to acquire under the option at the time of his retirement, death or permanent disability, as the case may be. Such option may be exercised within one year after the optionee's retirement, death or permanent disability, as the case may be, or prior to the expiration of the term of the option, whichever occurs first.

If an optionee's employment terminates otherwise than for the previous reasons, any option or unexercised part thereof granted to such optionee may be exercised by him only for that number of shares which he was entitled to acquire under the option at the time of such termination. Such option may be exercised within 30 days after such termination or prior to the expiration of the term of the option, whichever occurs first. Options are not assignable by the optionees, except to the optionee's estate upon the optionee's death.

Options may be exercised through the exercise and hold (cash) method, the cashless method or a combination of these two methods. There is no financial assistance available to optionees under the SOP.

Subject to the exceptions set out below, the Board of Directors may amend, suspend or terminate the SOP, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the SOP without seeking shareholder approval:

- ❖ amendments of a "housekeeping" or ministerial nature, including any amendment for the purpose of remedying any ambiguity, error or omission in the SOP or to correct or supplement any provision of the SOP that is inconsistent with any other provision of the SOP;
- ❖ amendments necessary to comply with the provisions of applicable law (including the rules, regulations and policies of the TSX);
- ❖ amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws;
- ❖ amendments respecting administration of the SOP;
- ❖ any amendment to the vesting provisions of the SOP or any option, it being understood that in the event of the amendment to the vesting provisions of an option, the Board of Directors shall not be under any obligation to amend the vesting provisions of any other option;
- ❖ any amendment to the early termination provisions of the SOP or any option, whether or not such option is held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- ❖ the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of eligible participants of shares under the SOP, and the subsequent amendment of any such provisions;
- ❖ amendments necessary to suspend or terminate the SOP; and
- ❖ any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Shareholder approval will be required for the following types of amendments:

- ❖ amendments to the number of shares issuable under the SOP, including an increase to a maximum percentage or number of shares;
- ❖ any amendment to the SOP that increases the length of the Blackout Period;
- ❖ any amendment which reduces the exercise price or purchase price of an option, whether or not such option is held by an insider;
- ❖ any amendment extending the term of an option held by an insider beyond its original expiry date, except as otherwise permitted by the SOP; and
- ❖ amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

1.6.3.2 Termination of the Long-Term Incentive Plan due to conversion to TransForce Inc. on May 14, 2008

The purpose of the former LTIP was to promote a greater alignment of interests between LTIP participants and unitholders of TransForce Income Fund. The LTIP was a key component of overall executive compensation and played an important role in the retention of key executives within TransForce Income Fund and its subsidiaries.

Trust units were granted to senior executives based on individual contributions and to the operating divisions based on performance (e.g., EBIT) relative to their respective budgets. Operating divisions with negative profitability did not receive units under the LTIP. Maximum aggregate amounts granted per operating division were approved by the HRCC.

Trust units were purchased on the open market on behalf of participants and held in trust until they vested. Trust units vested on the basis of one-third per year with the first portion vesting at the time of grant. During the vesting period, distributions received on units were reinvested for additional trust units.

Effective May 14, 2008, all of the outstanding trust units of TransForce Income Fund were exchanged for common shares of the Corporation on a one-for-one basis. Consequently, all the trust units in the LTIP were also automatically exchanged for common shares of the Corporation on a one-for-one basis.

Following the conversion of TransForce Income Fund into the Corporation, the HRCC approved the following measures to terminate the LTIP: All units granted since 2006 that were not yet vested prior to the conversion date of May 14, 2008, were vested as of May 13, 2008. However, such units remained subject to restrictions on resale. The expiry dates of the restrictions on resale were as follows:

- ❖ November 3, 2008, for 60% of the shares.
- ❖ November 2, 2009, for 30% of the shares.
- ❖ May 14, 2010, for the remaining 10% of the shares.

Change proposed and implemented

At a meeting held on December 3, 2009, the Board of Directors determined that the last 10% of the shares be released from all sale/transfer restrictions as of December 2, 2009. This proposal was supported by the following considerations:

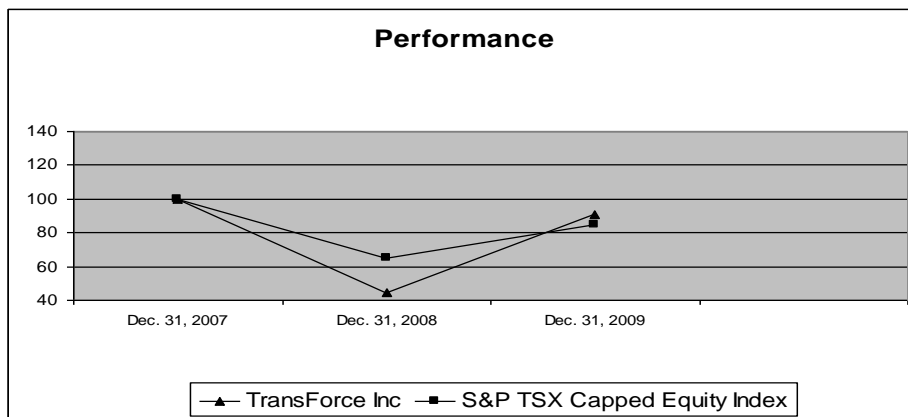
- ❖ the remaining number of shares left in the LTIP was minimal and the fees to maintain the LTIP in place were significant compared to the number of shares remaining;
- ❖ the LTIP was terminated and replaced by the 2008 Stock Option Plan (as described at 1.6.3.1 above) and the participants under the SOP were entitled to exercise one-third of their options in 2010;
- ❖ the short period of time remaining until May 14, 2010, the fact that a duplication of plans existed, and the advisability that such duplication cease in 2010; and
- ❖ management considered that the objectives of the LTIP were accomplished.

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

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

Performance Graph

The following graph compares the total return of a \$100 investment in the common shares⁽¹⁾ of the Corporation made on December 31, 2007 with the cumulative return of the S&P TSX Capped Equity Index for the period ended December 31, 2009.



⁽¹⁾ Following the conversion of TransForce Income Fund into the Corporation on May 14, 2008, all outstanding trust units of TransForce Income Fund and “tracking share units” of TFI Holdings Inc., an affiliated corporation, were exchanged for common shares of the Corporation on a one-for-one basis. The common shares of the Corporation began trading on the Toronto Stock Exchange on May 20, 2008.

The trend shown by the above performance graph is a decrease followed by an increase in the cumulative shareholder return from December 31, 2007 to December 31, 2009.

The trend in the Corporation compensation to the NEOs has to some extent followed the trend in the EBIT as per the table below.

Financial year ended December 31	2008	2009
Variation in total compensation for all NEOs (in percentage)	+12%	-10%
Variation in EBIT (in percentage)	+4%	-30%

The variation in the NEOs' total compensation is explained by

- ❖ the variation in the value of the shares granted under the Stock Option Plan,
- ❖ the variation in the value of the annual incentive plan and
- ❖ the absence of a salary increase for three of the five NEOs during the same period.

The HRCC is of the view that the market price of the Corporation's common shares in recent financial years has been predominantly affected by external factors over which the Corporation has no control and does not reflect the Corporation's performance, given the overall improvement in revenues and the fact that the Corporation has continued to meet its financial targets.

2.0 Option-based awards

The HRCC has requested that a benchmarking analysis be conducted on long-term incentive (LTI) awards with comparable Canadian companies in terms of industry and revenue (\$1B to \$5B). The results of the market analysis provided the guideline for LTI compensation-value (expressed as a percentage of annual base salary) to be granted to the Participants. Senior executive level positions (including the NEO positions) were identified based on the level of contribution. The market data used for this analysis were extracted from Mercer 2009 compensation databases.

Based on the results of the market analysis and also taking into consideration the total direct compensation for the positions, the President and Chief Executive Officer of the Corporation recommended to the HRCC the LTI compensation value to be granted for the purpose of the stock option grant. The HRCC then submitted the recommendation to the Board of Directors for its approval.

The option grant guideline is calculated as =
$$\frac{\text{Approved LTI compensation value} \times \text{Average base salary}}{\text{Reference grant price} \times \text{Black Scholes percentage}}$$

A Black Scholes percentage of 33% and a reference grant price of \$5.32 were used. The reference grant price of \$5.32 is based on the monthly-average closing prices of the common shares of the Corporation for the twelve-month period preceding the time of grant (from July 2008 to June 2009).

In addition to the grant guideline, the actual number of stock options granted to key employees was also impacted by both financial performance of the operating divisions and individual contributions.

Type of indicators	Level of performance based on	Indicators	Weight
Financial	Operating Divisions	Earnings before Interest and taxes (EBIT): Budget versus actual	30%
		Cash flow from operating activities before net change in non-cash balances related to operation.	30%
Non-Financial	Individual contributions	Make in-depth analysis of the operational activities and develop strategies for the delivery process	20%
		Be receptive to the business environment and adapt to face the requirements as set forth by external conditions	10%
		Regularly evaluate level of credibility and demonstrate leadership to exploit positive influence on people	10%

The financial objectives were measured over a reference period of twelve months (July 1, 2008 to June 30, 2009). To receive a stock option grant, the operating division was required to attain a threshold of 80% of the financial indicators. In addition

to the achievement of the financial trigger, individual performance had to be superior (demonstrating sustained effort and constantly producing results beyond expectations) to be eligible for a grant. Operating divisions with negative profitability were not awarded any stock options.

A total of 1,882,600 stock options with an exercise price of \$6.32 were granted on July 31, 2009 to a total of 41 participants.

3.0 Summary Compensation Table

The following table sets out all annual and long-term compensation earned by the NEOs for services rendered in all capacities to the Corporation and its subsidiaries during the fiscal years ended December 31, 2009 and 2008:

Name and principal position	Year	Salary (\$)	Option-based awards ⁽¹⁾ (\$)	Share-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation		Pension value ⁽³⁾ (\$)	Other annual compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Alain Bédard President and Chief Executive Officer and interim Chief Financial Officer TransForce ⁽⁴⁾	2009	875,000	1,788,901	—	1,000,000	—	145,200	165,561 ⁽⁵⁾	3,974,662
	2008	875,000	—	528,054	1,500,000	—	1,340,100	145,533 ⁽⁶⁾	4,388,687
Salvatore Vitale Chief Financial Officer TransForce ⁽⁷⁾	2009	173,077	—	—	—	—	—	232,313 ⁽⁵⁾	405,390
	2008	250,000	—	79,208	100,000	—	—	43,396 ⁽⁶⁾	472,604
Darshan S. Kailly Chief Executive Officer CF Managing Movement	2009	400,000	204,501	—	—	—	—	51,743 ⁽⁵⁾	656,244
	2008	400,000	—	138,859	240,000	—	2,300	37,542 ⁽⁶⁾	818,701
James P. Houston President Trans4 Logistics/Delivery	2009	300,000	153,279	—	30,000	—	—	38,608 ⁽⁵⁾	521,887
	2008	275,000	—	45,496	27,500	—	—	40,567 ⁽⁶⁾	388,563
Marc Fox President Matrec	2009	225,000	111,370	—	78,750	—	—	24,854 ⁽⁵⁾	439,974
	2008	200,000	—	81,658	70,000	—	—	23,772 ⁽⁶⁾	375,430

⁽¹⁾ Options were issued pursuant to the 2008 Stock Option Plan (see section 1.6.3.1 above for more details on this Plan). Option-based awards have been valued using the Black-Scholes option valuation methodology using the same assumptions as for the Corporation's financial statements other than amortization. The assumptions used to determine the Black Scholes value were a risk-free interest rate of 3%, an expected stock volatility of 55%; an expected option life of six years and an expected dividend yield of 6.33%.

⁽²⁾ The units that were granted on May 13, 2008 were based on the market value of \$7.46 per unit prior to the conversion of TransForce Income Fund into TransForce Inc.

⁽³⁾ For 2008, Mr. Bédard's pension value is due to the recognition of past service for the period between January 1, 2000 and January 1, 2004 (four years) and is a non-recurring event.

⁽⁴⁾ There has been no salary adjustment for the President and Chief Executive Officer of TransForce since 2007.

⁽⁵⁾ In 2009, Mr. Bédard's compensation for his role as member of the Board of Directors was in the amount of \$52,500. Mr. Bédard does not receive additional compensation for his role as Chairman of the Board of Directors. He also received \$24,000 for an annual car allowance. Mr. Vitale received a termination package in 2009 in a total amount of \$202,885 (including severance and unused vacation). Mr. Kailly received an annual car allowance of \$14,538 and a contribution of \$21,000 to his Registered Retirement Savings Plan (RRSP). Mr. Houston received an annual car allowance of \$15,644 and a contribution of \$11,000 to a Deferred Profit Sharing Plan (DPSP). Mr. Fox received an annual car allowance of \$10,276 and a contribution of \$11,000 to a DPSP.

⁽⁶⁾ In 2008, Mr. Bédard's compensation for his role as member of the Board of Directors was in the amount of \$55,100. He also received \$24,000 for an annual car allowance. Mr. Vitale received \$13,247 for an annual car allowance and a contribution of \$10,500 to a DPSP. Mr. Kailly received an annual car allowance of \$19,512. Mr. Houston received an annual car allowance of \$18,088 and a contribution of \$10,500 to a DPSP. Mr. Fox received an annual car allowance of \$10,276 and a contribution of \$10,192 to a DPSP.

⁽⁷⁾ Mr. Vitale left the Corporation on August 24, 2009.

3.1. Pay-for-performance in 2009

The following table shows the impact of the Corporation's financial performance on the compensation earned by the NEOs during fiscal year 2009.

Chief Executive Officer and Chief Financial Officer

Metrics	Objectives in \$000's	Name of entity	Achievement in 2009
Revenues	2,073,426	TransForce	TransForce met 83% of its target Revenues objectives
EBIT	159,330	TransForce	TransForce did not achieve its target EBIT objectives
EBITDA	290,749	TransForce	TransForce did not achieve its target EBITDA objectives
EBITDAR	344,848	TransForce	TransForce met 81% of its target EBITDAR objectives

Note: The Chief Financial Officer left the Corporation on August 24, 2009.

For the Chief Executive Officer, the following non-financial objectives were also identified and measured in 2009:

Objectives	Achievement in 2009
Respond to the challenges of a competitive global environment and manages the change process needed to maintain TransForce as a competitive corporation.	The objectives were met at 100%.
Ensures that acquisitions opportunities are identified and when acquired and integrated accomplish financial objectives.	The objectives were met at 100%
Creates organizational effectiveness to maximize profits, the need for a broad network of resources to access growth capital and building a strong team of highly experienced operators.	The objectives were met at 100%
Elaborates succession planning for key positions to facilitate execution excellence.	The objectives were met at 100%
Fosters and maintain strong Board and Shareholder relationships.	The objectives were met at 100%

Other NEOs

Metrics	Objectives in \$000's	Name of entity	Achievement in 2009
EBITDAR	112,855	CF Managing Movement	CF Managing Movement did not achieve its target EBITDAR objectives
EBIT	8,895	Trans4 Logistics/delivery	Trans4 Logistics/delivery did not achieve its target EBIT objectives
EBIT	22,926	Matrec	Matrec met 90% of its target EBIT objectives

4.0 Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out information with respect to NEOs concerning unexercised stock options held as at December 31, 2009.

Name	Date of grant	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Alain Bédard	July 31, 2009	922,000	\$6.32	July 31, 2019	1,917,760
Salvatore Vitale ⁽²⁾	—	—	—	—	—
Darshan S. Kailly	July 31, 2009	105,400	\$6.32	July 31, 2019	219,232
James P. Houston	July 31, 2009	79,000	\$6.32	July 31, 2019	164,320
Marc Fox	July 31, 2009	57,400	\$6.32	July 31, 2019	119,392

⁽¹⁾ This amount is calculated based on the difference between the closing share price of \$8.40 on December 31, 2009 and the option exercise price.

⁽²⁾ Mr. Vitale left the Corporation on August 24, 2009.

Incentive plan awards – value vested or earned during the year

The following table sets out the value of common shares vested or earned by NEOs during the fiscal year ended December 31, 2009 under the LTIP.

Name	Option based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽¹⁾ (\$)
Alain Bédard	—	\$1,000,000
Salvatore Vitale ⁽²⁾	—	—
Darshan S. Kailly	—	—
James P. Houston	—	\$30,000
Marc Fox	—	\$78,750

⁽¹⁾ These amounts represent earned amounts under the Short-Term Incentive Plan.

⁽²⁾ Mr. Vitale left the Corporation on August 24, 2009.

5.0 Pension Plan Benefits

5.1 Defined benefit plan

The following table sets out the reconciliation of the total obligations with respect to the pension benefits payable to each of the NEOs who participated in a defined benefit plan between January 1, 2009 and December 31, 2009.

Name	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non- compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Alain Bédard	10	196,875	481,241	1,925,600	145,200	467,000	2,537,800
Darshan Kailly ⁽¹⁾	37.75	80,593	80,593	841,100	—	73,000	914,100

⁽¹⁾ Mr. Kailly reached the age of 65 during 2008 and currently receives an annual pension of \$80,593.

Chief Executive Officer of the Corporation

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

Retirement eligibility is according to Mr. Bédard’s age and service. The Board may credit additional years of service towards retirement eligibility, pension calculation or both, through a special arrangement. Effective January 1, 2008, service for the period between January 1, 2000 and the date of entry (January 1, 2004) has been recognized as credited past service under the SERP. Mr. Bédard is eligible to receive SERP benefits as of age 55.

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

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

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

Pension Plan Table

	(at age 57)	(at age 60)	(at age 65)
Years of Pensionable Service	10.333	13.333	18.333
Pension Plan	\$14,376	\$23,281	\$35,753
SERP	\$191,767	\$274,212	\$445,488
Total	\$206,143	\$297,493	\$481,241

Chief Executive Officer, CF Managing Movement

Darshan Kailly participates in a contributory defined benefit registered pension plan.

Mr. Kailly attained age 65 during 2008 and was then required by the terms of the pension plan to commence pension payments. Mr. Kailly currently receives a monthly pension from the plan. The amount of this pension is equal to the maximum pension permitted, per year of credited service, for a registered pension plan.

The normal form of pension is payable for life, with a guarantee that 60 monthly payments will be paid in any event. Mr. Kailly has elected an actuarially-equivalent optional form under which 60% of the pension will continue to a surviving spouse.

5.2 Registered Retirement Savings Plan

Other NEOs

James P. Houston, Marc Fox and Salvatore Vitale (until his departure from the Corporation) participated in a Registered Retirement Savings Plan to which the Corporation contributes via a Deferred Profit Sharing Plan. The Corporation will match the NEO's contributions up to a level of 5% of the NEO's base salary. NEOs can also make supplementary individual contributions. The Corporation ensures that the limits established by the Canada Revenue Agency are not exceeded. In 2009, Messrs. Houston and Fox both received contributions of \$11,000 to their Deferred Profit Sharing Plans.

6.0 Termination of Employment and Change of Control

There is no contract, arrangement or any other understanding with respect to employment, termination of employment, a change of control or a change in responsibilities following a change of control, between the Corporation and any of the NEOs.

COMPENSATION OF DIRECTORS

The Corporation believes that an efficient Board plays an important role in creating shareholder value. Much emphasis has been placed on the compensation of directors, in order to attract and retain qualified candidates to serve the Board and to align the interests of the directors with those of the Corporation's shareholders. The following table shows the various compensation components the members of the Corporation's Board of Directors received during the fiscal year ended December 31, 2009:

Type of Fees	Amount (\$)
Annual Retainers	
• Chairman of the Board ⁽¹⁾	—
• Board Members (including the Chairman and Lead Director)	42,000
• Lead Director	40,000
• Committee Chairman	10,000
• Committee Members (other than the Chairman)	4,500
Per-meeting Fees	
• Committee Chairman	2,500 ⁽²⁾
• Board and Committee Members (other than the Chairman)	1,750 ⁽²⁾

⁽¹⁾ The Chairman of the Board of Directors receives the same annual retainer as the other Board members.

⁽²⁾ These amounts apply for meetings attended in person. For all Board and Committee Members (including the Chairman), the per-meeting fee for telephone meetings is \$850.

Deferred Share Unit (DSU) Plan

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

Under the DSU Plan, directors are granted, as of the last day of each of the Corporation's fiscal quarters, a number of DSUs determined on the basis of the amount of deferred remuneration payable to directors in respect of such quarter divided by the "Fair Market Value" of a DSU, which is the average of the closing prices of the common shares on the TSX for the five trading days immediately preceding the last day of each of the Corporation's fiscal quarters. Directors to whose accounts DSUs are credited with additional DSUs whenever cash dividends are paid on common shares. DSUs granted under the DSU Plan will be redeemable, and the value thereof payable, only after the holder of DSUs ceases to act as a director of the Corporation. Subject to Board approval, a director may elect to receive the redemption price of his credited DSUs in cash or in the form of common shares of the Corporation purchased on the open market.

The table below sets out in detail the total compensation earned by the directors during the fiscal year ended December 31, 2009. The compensation to the President and Chief Executive Officer for his role as a director of the Corporation is included in the Summary Compensation Table in section 3.0 above. No additional compensation is paid to the President and Chief Executive Officer for his role as the Chairman of the Board.

Name	Retainer ⁽¹⁾ (\$)	Fees earned (\$)	Total Compensation (\$)	Percentage elected	Number of DSUs earned
André Bérard	91,000	24,500	115,500	100%	19,534
Lucien Bouchard	52,000	18,000	70,000	100%	11,854
Richard Guay	56,500	23,350	79,850	100%	13,171
Ronald D. Rogers	56,500	22,250	78,750	50%	6,767
Joey Saputo	46,500	15,700	62,200	50%	5,022
Emanuele (Lino) Saputo	42,000	10,500	52,500	100%	8,865
H. John Stollery	46,500	15,700	62,200	100%	3,760
Total	\$391,000	\$130,000	\$521,000		68,973

⁽¹⁾ Includes all annual retainers for serving on the Board and the Committees.

Ownership requirements

Effective January 1 2007, TransForce Income Fund and, subsequently, the Corporation, adopted a shareholding policy to require trustees, and subsequently directors, to hold a minimum value in trust units of TransForce Income Fund, and subsequently common shares of the Corporation. Through this policy, the directors are motivated to reach the Corporation's annual return objectives and improve the long-term value for the shareholders. Under this policy, each director is required to hold a minimum value equal to two times the annual Board retainer fees. Each new director has a period of four years from the later of January 1, 2007 or the date of his appointment to meet this requirement. Directors must keep at least 50% of their shares for a period of six months following the termination of service as a director.

Required and actual share ownership is set out in the table below:

Name	Ownership requirement (\$)	Date for compliance	Value as of December 31, 2009 (\$)	Compliance as of December 31, 2009
Alain Bédard ⁽¹⁾	84,000	December 31, 2010	38,820,088	100%
André Bérard	84,000	December 31, 2010	379,042	100%
Lucien Bouchard	84,000	December 12, 2011	104,160	100%
Richard Guay	84,000	December 31, 2010	171,528	100%
Ronald D. Rogers	84,000	December 31, 2010	278,989	100%
Joey Saputo	84,000	December 31, 2010	1,453,141	100%
Emanuele (Lino) Saputo	84,000	February 27, 2012	134,680,854	100%
H. John Stollery	84,000	December 31, 2010	32,155	38%

⁽¹⁾ The stock options granted to Mr. Bédard on July 31, 2009 are not included for the shareholding policy.

Securities Reserved for Issuance under Equity Compensation Plans

The following table sets forth information regarding the Corporation's shares reserved as of December 31, 2009 for purposes of equity compensation.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by securityholders	1,882,600	\$6.32	7,642,793
Equity compensation plans not approved by securityholders	—	—	—
Total	1,882,600	\$6.32	7,642,793

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

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at March 11, 2010, none of the directors or executive officers, employees or former directors, executive officers or employees of the Corporation were indebted to the Corporation or a subsidiary of the Corporation in connection with a purchase of securities or for any other matter.

During the fiscal year ended December 31, 2009, none of the directors or executive officers of the Corporation, proposed nominees for election as a director, or any associate of the foregoing were indebted to the Corporation or any subsidiary of the Corporation.

LIABILITY INSURANCE FOR OFFICERS, DIRECTORS AND TRUSTEES

The Corporation carries a \$10 million liability insurance policy for its directors and officers and those of its subsidiaries, covering claims made against them during their term of service. Such coverage is subject to a \$250,000 deductible per securities claim and a \$100,000 deductible for all other claims. The total annual premium paid by the Corporation was \$80,800 for the period from December 1, 2008 to December 1, 2009.

The Corporation carries a \$5 million liability insurance policy for trustees and fiduciaries acting on behalf of the Corporation or its subsidiaries and covering claims made against them during their term of service. The premium paid by the Corporation for the period from December 1, 2008 to December 1, 2009 was \$10,890; such coverage is subject to a \$15,000 deductible for any loss.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No executive officer, director of the Corporation or any subsidiary of the Corporation, person proposed for election as a director, or any associate or affiliate of the foregoing had an interest in any material transaction effected by the Corporation since January 1, 2009 or in any proposed material transaction.

AUDIT COMMITTEE INFORMATION

Reference is made to the section entitled "Audit Committee" of the Corporation's 2009 Annual Information Form for required disclosure relating to the Audit Committee of the Board of Directors. The 2009 AIF is available under the Corporation's profile on SEDAR at www.sedar.com and may also be obtained by contacting the Secretary of the Corporation at 8585 Trans-Canada Highway, Suite 300, Montreal, Québec H4S 1Z6, telephone (514) 331-4000.

APPOINTMENT OF AUDITORS

KPMG LLP, Chartered Accountants, have been the auditors of the Corporation or its predecessors since 2003. **Except where authorization to vote with respect to the appointment of the auditors is withheld, the persons named in the accompanying form of proxy intend to vote at the Meeting for the appointment of KPMG LLP, Chartered**

Accountants, as the auditors of the Corporation until the next annual meeting of shareholders and at such remuneration as may be set by the directors.

SHAREHOLDER PROPOSALS

The CBCA provides that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The CBCA further provides that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the Notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated March 11, 2010, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is December 11, 2010.

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

CORPORATE GOVERNANCE

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

The Corporation was constituted under the laws of Canada. At present, eight individuals serve as the directors of the Corporation.

1. Board of Directors

(a) *Disclose the identity of directors who are independent.*

The Board considers that André Bérard, Lucien Bouchard, Richard Guay, Ronald D. Rogers, Emanuele (Lino) Saputo, Joey Saputo and H. John Stollery are independent within the meaning of National Instrument 52-110 *Audit Committees*.

(b) *Disclose the identity of directors who are not independent, and describe the basis for that determination.*

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

(c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.*

The Board considers that seven of the eight members of the Board are independent within the meaning of National Instrument 52-110 *Audit Committees*. Accordingly, a majority of the directors on the Board is independent.

If the persons named under “Election of Directors of the Corporation” above are elected, seven of the eight members of the Board will be independent within the meaning of National Instrument 52-110 *Audit Committees*.

- (d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

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

Name of Director	Issuer
André Bérard	BCE Inc. BMTC Group Inc. Bombardier Inc. Saputo Inc.
Lucien Bouchard	BMTC Group Inc. Saputo Inc. Transcontinental Inc.
Ronald D. Rogers	Corus Entertainment Inc. Parkland Income Fund
Emanuele (Lino) Saputo	Saputo Inc.

- (e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

The independent members of the Board meet at least on a quarterly basis without non-independent members of the Board or members of management present. Since January 1, 2009, the independent members of the Board have held six meetings at which non-independent members of the Board and members of management were not present.

- (f) *Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.*

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

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

- (g) *Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.*

In 2009, there were six Board meetings, three HRCC meetings, three Corporate Governance and Nominating Committee (“CGNC”) meetings and five Audit Committee meetings. Attendance of members of the Board at the meetings is set out in the table below.

Director	Board	HRCC	CGNC	Audit Committee
Alain Bédard	6/6	N/A	N/A	N/A
André Bérard Lead Director	6/6	N/A	3/3	5/5
Lucien Bouchard Chairman of the CGNC	6/6	N/A	3/3	N/A
Richard Guay Chairman of the HRCC	5/6	3/3	N/A	4/5
Ronald D. Rogers Chairman of the Audit Committee	5/6	N/A	2/3	4/5
Joey Saputo	6/6	3/3	N/A	N/A
Emanuele (Lino) Saputo	6/6	N/A	N/A	N/A
H. John Stollery	6/6	3/3	N/A	N/A

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

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

3. Position Description

- (a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

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

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

- (b) *Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.*

The Board and the President and Chief Executive Officer have developed a written position description for the President and Chief Executive Officer.

4. Orientation and Continuing Education

- (a) *Briefly describe what measures the board takes to orient new directors regarding*

- (i) *the role of the board, its committees and its directors, and*
- (ii) *the nature and operation of the issuer's business.*

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

Members of management meet with the directors at Board meetings to familiarize the Board with their business issues and opportunities. Occasionally, Board meetings are held at operating sites and the directors tour the sites.

- (b) *Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.*

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

5. Ethical Business Conduct

- (a) *Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:*

- (i) *disclose how a person or company may obtain a copy of the code*

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

- (ii) *describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code*

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

- (iii) *provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code*

There are no such material change reports.

- (b) *Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

Since January 1, 2009, the Corporation has not entered into any transactions or agreements in respect of which a member of the Board or an executive officer of the Corporation had a material interest. If such a transaction or agreement arises, the member of the Board who has a material interest therein will not participate in meetings of the Board at which the transaction or agreement is considered.

- (c) *Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.*

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

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

6. Nomination of Directors

- (a) *Describe the process by which the board identifies new candidates for board nomination.*

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

- (b) *Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.*

The CGNC is composed exclusively of independent directors.

- (c) *If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

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

7. Compensation

- (a) *Describe the process by which the board determines the compensation for the issuer's directors and officers.*

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

The role of the HRCC is to monitor and assess the performance of the Named Executive Officers and determine the compensation levels on an annual basis. More information is provided under the section "Executive Compensation – Compensation Discussion and Analysis".

The Board has adopted a shareholding policy for directors under which the directors must own a minimum number of common shares of the Corporation equivalent in value to twice their annual retainer as board members. The directors have a period of four years from the later of January 1, 2007 or the date of appointment to comply with such policy. More information is provided under the section "Compensation of Directors" above.

- (b) *Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.*

The HRCC is composed exclusively of independent directors.

- (c) *If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.*

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

- (d) *If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

The Corporation has used Mercer (Canada) Inc. (“**Mercer**”) to provide benchmarking analysis in determining the LTI compensation value in respect to the Stock option Plan for use by the HRCC. Other mandates of Mercer were to provide advice on various executive compensation matters.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

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

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

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

OTHER MATTERS

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

ADDITIONAL INFORMATION

The Corporation’s financial information is included in its consolidated financial statements, the notes thereto and Management’s Discussion and Analysis for the financial year ended December 31, 2009. Copies of the foregoing documents and additional information relating to the Corporation can be found under the Corporation’s profile on SEDAR at www.sedar.com and may also be obtained upon request to the Secretary of the Corporation at its head office, 8585 Trans-Canada Highway, Suite 300, Ville Saint-Laurent, Québec H4S 1Z6, telephone (514) 331-4000.

AUTHORIZATION

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



Alain Bédard
President and Chief Executive Officer
TransForce Inc.

Signed at Montreal, Québec
March 11, 2010