

# CORPORATE GOVERNANCE

As an industry leader, TransForce Income Fund meets or exceeds the Toronto Stock Exchange's guidelines for effective corporate governance.

More information on TransForce corporate governance practices can be found in our Management Proxy Circular and at [www.transforce.ca](http://www.transforce.ca).

We do more than obey a set of rules; we have adopted a fundamental attitude, based on our principle of Accountability.

## Code of Ethics

To ensure we meet the highest standards of governance, the Board of Trustees is guided – and the Fund's business activities are shaped – by the principles outlined in TransForce's Code of Ethics.

The Code applies to everyone from the Board to all employees of TransForce's operating divisions. It incorporates all of our guiding principles and provides a frame of reference for dealing with complex and sensitive issues. It is the responsibility of the Board's Corporate Governance and Nominating Committee to ensure compliance, on a regular basis and as required, with the controls described in the Code in the following areas:

1. Compliance with Laws and Regulations
  - a) Unfair Trade Practices – Compliance with Competition and Anti-Trust Laws
  - b) Disclosure of Information and Dealing in TransForce Securities
2. Maintaining Confidential and Proprietary Information
3. Protecting Competitors' Information
4. Conflicts of Interest
5. Safeguard Company Assets
6. Dealing with Public or Government Officials
7. Employment and Compensation
8. Public Relations
9. Records and Reporting
10. Information Technologies and the Internet
11. Protection of the Environment
12. Occupational Health, Safety and Compliance

## Board of Trustees

TransForce is governed by its Board of Trustees, which is elected annually by the unitholders. The Board currently has nine members, of whom the majority are defined

as independent, one is management, and three are associated with the Fund's largest investor. The Board also has its own governing charter.

## Board Committees

The Board of Trustees has established three committees to assist with the analysis of issues and allow more time for the full board to discuss and debate business matters. Each committee is governed by its own charter, which is reviewed on a yearly basis.

### AUDIT COMMITTEE

The Board's Audit Committee was established to assist the Board of Trustees by reviewing, with its auditors, the financial reports and other financial information provided to the public, internal controls regarding finance and accounting, and general oversight of the Fund's auditing, accounting and financial reporting.

The committee consists of three independent Trustees. Its responsibilities include:

- Review annual and quarterly financial statements with management and independent auditors prior to the release or filing of reports
- Review and discuss with management all significant issues regarding corporate risk
- Recommend independent auditors to the Board, ensure independence, and review the performance of the independent auditors
- Review and discuss results and significant findings by the independent auditors, recommend audited statements for inclusion in the Fund's Annual Report, and evaluate effectiveness and independence of the Fund's internal audit function

### HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee consists of three Board members, appointed annually, who are all independent Trustees. Its responsibilities include:

- Assess the Fund's management succession plan
- Assess the Fund's compensation plan for officers and senior management

#### **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

In addition to overseeing the Fund's Code of Ethics and Disclosure Policy, the Committee has authority and responsibility for a number of areas including:

- Implement Corporate Governance Policies and ensure compliance

- Assess Board membership needs and recommend Board nominees
- Assess Committee and Board effectiveness
- Insure Trustee orientation and development
- Determine the composition of the Board of Trustees and its committees
- Identify and recruit Board Members

In addition to the Code of Ethics, the Board of Trustees has implemented the following:

- Disclosure Policy
- Rules for Conduct of Insider Trading
- Whistleblower Policy

## BOARD OF TRUSTEES

#### **Alain Bédard, CA, CMA**

Chairman, President and Chief Executive Officer, TransForce Income Fund

- Chairman of the Board of Trustees
- Trustee since September 2002
- Director of the predecessor companies since 1993

#### **André Bérard**

Corporate Director

- Lead Trustee
- Member, Audit Committee
- Member, Corporate Governance and Nominating Committee
- Independent Trustee since April 2003
- Serves on the Boards of Directors of BCE Inc., BMTC Group Inc., Bombardier Inc., Saputo Inc. and Tembec Inc.

#### **Lucien Bouchard**

Partner in the law firm of Davies Ward Phillips and Vineberg LLP

- Chair, Corporate Governance and Nominating Committee
- Independent Trustee since December 2007
- Chairman of the Board of Directors of the Orchestre Symphonique de Montréal
- Management committee member of Jeunesses Musicales du Canada
- Serves on the Boards of Directors of Saputo Inc., Transcontinental Inc., Centre d'études et de recherches internationales de l'Université de Montréal and BMTC Group Inc.

#### **Richard Guay**

Consultant and Corporate Director  
Senior Executive Vice-President, Melior Development Inc.

- Chair, Human Resources and Compensation Committee
- Member, Audit Committee
- Independent Trustee since April 2004
- Serves on the Board of Directors of Trimag L.P.
- Chair, Credit Committee of Centria Capital Construction Fund, L.P.

#### **Joe Marsilii, CA**

Vice President, Investments and Finance, Jolina Capital Inc.

- Member, Corporate Governance and Nominating Committee
- Independent Trustee since September 2002
- Director of the predecessor companies since April 2002
- Serves on the Board of Directors of Groupe Bikini Village Inc.

#### **Ronald D. Rogers, CA**

Corporate Director

- Chair, Audit Committee
- Member, Corporate Governance and Nominating Committee
- Independent Trustee since January 2006
- Serves on the Boards of Directors of Corus Entertainment Inc., Parkland Income Fund, Pizza Pizza Royalty Income Fund and The Brick Group Income Fund

#### **Joey Saputo**

President, Gestion Soplajoey Inc.

- Member, Human Resources and Compensation Committee
- Independent Trustee since September 2002
- Director of the predecessor companies since 1996

#### **H. John Stollery, P. Eng.**

Chairman, Process Capital Corporation

- Member, Human Resources and Compensation Committee
- Independent Trustee since September 2002
- Director of the predecessor companies since 2000

#### **Appointment subsequent to year end:**

#### **Emanuele (Lino) Saputo**

- Appointed to the Board of Trustees February 2008
- Founder and Chairman of the Board, Saputo Inc.