



## Corporate Governance And Nominating Committee Charter Amended and restated December 2007

### Purpose

The primary functions of the Corporate Governance and Nominating Committee (the "Committee") are to develop and maintain the corporate governance and nominating policies of TransForce Income Fund (the "Fund"), and to assist TFI Operating Trust's Board of Trustees (the "Board") in:

- (i) identifying, screening and recruiting qualified individuals to become Board members;
- (ii) determining the composition of the Board and its committees;
- (iii) assessing the Board's and Trustee effectiveness;
- (iv) ensuring Trustee orientation and development;
- (v) ensuring that current and effective governance practices are in place, including overseeing compliance with the Code of Ethics;
- (vi) directing and approving the Fund's compensation of its Board members;

### Committee Membership

The Committee shall be comprised of no less than three members, all of whom must qualify as independent and must be free of any relationship that may interfere with the exercise of their independence and judgment.

The members of the Committee shall be appointed annually by the Board at a duly convened meeting of the Board. The Chairman of the Committee (the "Chairman") shall be appointed by the Chairman of the Board. The members of the Committee will serve until their resignation, retirement, removal by the Board, or until their successors shall be duly appointed and qualified. No member of the Committee may be removed except by majority vote of the independent Trustees then in office, and no reduction in the number of members constituting the full Committee should have the effect of reducing the term of an incumbent member.

### Committee Meetings

The Committee shall meet at least twice per year, or more frequently as circumstances dictate. In addition the Chairman of the Board or any Committee member may call a special meeting of the Committee. The majority of the members of the Committee shall constitute a quorum.

At least annually, the Committee shall meet without the presence of the Fund's Management and report on meetings thereof to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings and such minutes shall be maintained with the books and records of the Fund.

### **Committee Authority And Responsibilities**

The Committee shall have the power to perform the following:

#### **Implement Corporate Governance Policies**

1. Provide recommendations to the Board to enhance the Board's effectiveness, including with respect to the timing, amount and content of information distributed to Board members, the size and composition of the Board, and the frequency of Board meetings, the structure of the Board, including Committees and other roles as required.
2. Develop and review on an annual basis, or more frequently if appropriate, the corporate governance policies and practices of the Fund to ensure that such policies and practices are appropriate for the Fund and comply with the applicable laws, regulations, and listing standards, and to recommend any changes as necessary to the Board.
3. Create, recommend to the Board for adoption, and maintain a Corporate Code of Ethics for Trustees, executive officers, and employees. Upon the adoption of the Corporate Code of Ethics, the Committee will oversee its implementation and enforcement.
4. Appoint subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate. Notwithstanding the foregoing (i) no subcommittee shall consist of fewer than two members, and (ii) the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.
5. Consider any other corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board.

#### **Assess Board Membership Needs and Recommended Board Nominees**

6. Periodically assess the Board's needs and identify suitable candidates for consideration as nominees to the Board that will help strengthen and balance the Board. In identifying any candidates, the Committee shall consider whether each candidate would qualify as independent, and where appropriate, his or her financial expertise, and any other qualifications the Committee deems relevant. The Committee shall review the qualifications thereof, and nominate candidates to fill vacancies accordingly.

7. Recommend Trustees to be selected for membership on Board committees. Committee recommendations may consider the qualifications for membership on each committee.
8. Periodically evaluate the effectiveness of the Board and its Trustees and institute training or development activities as it deems necessary.

### **Charter Evaluation**

The Committee shall annually evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.

In conducting its evaluation, the Committee may address all matters that it considers relevant to its performance, including but not limited to, the following:

1. The adequacy, appropriateness and quality of the information and recommendations presented by management to the Committee and by the Committee to the Board.
2. The manner in which they were discussed or debated.
3. Whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall report to the Board the results of any evaluation, including any recommended amendments to this Charter and any recommended changes to corporate governance policies and procedures and the Fund's Corporate Code of Ethics.

### **Investigations And Studies: Outside Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the scope of the Committee's authority and responsibilities, and may retain, at the Fund's expense, outside advisors, including executive search firms, such as it deems necessary.

The Committee shall have the sole authority to retain or terminate any such outside advisors, and to retain outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have the sole authority to approve related fees and retention terms.

### **Related Party Transactions**

All proposed related party transactions should be presented to the Committee for its consideration. If required by law, or OSC regulations, such transactions must obtain Committee approval.