

NEW HORIZONS

2016 Annual Report

TransForm

TFI
International



53%

Canada

TFI International's growing leadership role beyond Canada is reflected in the strong revenues now being generated in the United States. This Contribution will represent nearly half the Company's total revenue going forward.

47%

United States

TSX: TFI

TFI
International

OTCQX: TFIFF

NEW HORIZONS

New operations, additional capabilities, a wider geographic scope: these are the features that increasingly define the Company's mission. They express the qualities of a network in constant expansion. As the Company crosses borders more frequently, unlocks novel synergies, creates larger economies of scale, it reaches ever outward. Fittingly, in 2016, while achieving greater density in the U.S. and offering progressively broader service into Mexico, the Company adopted the corporate name of TFI International to signify a truly continental business.



PACKAGE AND COURIER

Driven by burgeoning e-commerce activity, Package and Courier is TFI International's fastest growing segment, comprising numerous prestigious North American brands.

TRUCKLOAD

TFI International provides conventional and specialized truckload services across North America, with knowledge-based value-added solutions for industries with specific transportation needs.

LESS-THAN-TRUCKLOAD

Our reputation for providing effective transportation solutions to satisfy our customers' every need, as well as our solid track record for safety and on-time delivery, have positioned us to continue leading the Canadian market.

LOGISTICS

Regardless of a shipment's point of origin, destination or dimensions, TFI International offers reliable and effective freight transportation solutions designed to give customers peace of mind, allowing them to focus on the success of their business.



A STRATEGIC STRONGHOLD

The acquisition of XPO Logistics' North American truckload operations, now rebranded as CFI, has once again validated TFI's selective business acquisition strategy. With the mission of building shareholder value through network expansion, the transaction has not only cemented TFI's presence continent-wide. It has also positioned the Company as one of the foremost truckload carriers in the U.S. With increased access to Mexico and the flow of cross-border trading, this acquisition has brought TFI a significant strategic benefit.

SOUND PERFORMANCE

Across the spectrum of TFI's operations in 2016, management worked diligently to optimize asset utilization and align supply to demand. The positive results spoke clearly in the performance of TFI's share price, the Company's strong free cash flow, its increase of the quarterly dividend and reimbursement of debt.

IMPROVED NETWORK

Through acquisitions, the Company enhanced its density and capacity across North America. The addition of seasoned management, constant application of cutting edge technology, and access to a broader service offering, significantly strengthened TFI's network in 2016.

2016 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
OPERATING RESULTS (in millions of \$)	\$	\$	\$	\$	\$
Total revenue from continuing operations	4,025.2	4,029.9	3,395.1	2,759.0	2,693.8
Revenue before fuel surcharge from continuing operations	3,704.5	3,630.9	2,942.9	2,432.7	2,366.0
Operating income from continuing operations ¹	258.2	276.5	227.6	177.0	177.7
Net income from continuing operations	157.1	145.7	116.2	77.5	101.7
Net income (loss) from discontinued operations	482.5	17.7	11.7	(15.1)	52.5
Net income	639.6	163.4	127.9	62.4	154.2
Net cash from operating activities from continuing operations	337.9	358.8	228.5	152.2	211.7
Free cash flow from continuing operations ^{2,3}	288.3	291.5	243.4	151.7	179.1

FINANCIAL POSITION (in millions of \$)

Total assets	4,071.3	3,377.9	3,438.6	2,064.6	2,114.1
Long-term debt ⁴	1,584.8	1,615.1	1,617.7	773.6	808.1
Shareholders' equity	1,458.7	1,019.8	1,029.4	790.8	727.4

PER SHARE DATA (in \$)

Earnings from continuing operations – Basic	1.68	1.45	1.17	0.84	1.07
– Diluted	1.64	1.43	1.15	0.82	1.06
Earnings – Basic	6.83	1.63	1.29	0.67	1.63
– Diluted	6.70	1.60	1.26	0.66	1.55
Net cash from operating activities from continuing operations	3.61	3.58	2.30	1.64	2.23
Free cash flow from continuing operations ^{2,3}	3.08	2.91	2.45	1.64	1.89
Book value	15.93	10.45	10.06	8.47	7.84
Dividend	0.700	0.680	0.605	0.535	0.505

FINANCIAL RATIOS (from continuing operations)

Operating margin ² (as a % of revenue before fuel surcharge)	7.0%	7.6%	7.7%	7.3%	7.5%
Adjusted operating ratio ² (as a % of revenue before fuel surcharge)	93.0%	92.4%	92.3%	92.7%	92.5%
Return on equity	12.7%	14.3%	12.8%	10.2%	14.4%
Long-term debt to equity ⁴	1.09	1.58	1.57	0.98	1.11

(1) Earnings before finance income and costs, and income tax.

(2) This is a non-IFRS measure. For a reconciliation, please refer to the "Non-IFRS Financial Measures" section on page 28.

(3) Net cash from operating activities from continuing operations, less net additions to property and equipment, plus proceeds from sale of property and equipment and assets held for sale.

(4) Including current portion.

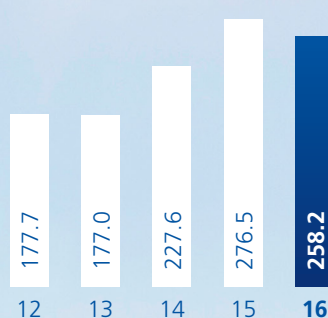
REVENUE BEFORE FUEL SURCHARGE FROM CONTINUING OPERATIONS

(in millions of \$)



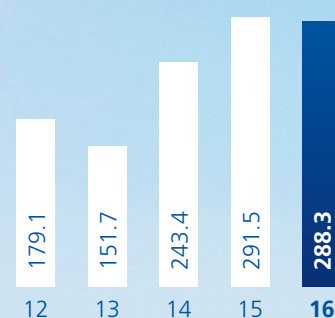
OPERATING INCOME FROM CONTINUING OPERATIONS ¹

(in millions of \$)



FREE CASH FLOW FROM CONTINUING OPERATIONS ^{2,3}

(in millions of \$)



DEFINING NEW HORIZONS WITH ALAIN BÉDARD



2016 was a transformational year for the Company. We made an important acquisition that bolstered our presence in the North American truckload market, including the growing U.S.-Mexico cross-border lane. Reflecting our new capabilities, we closed out the year by adopting the new corporate name of TFI International Inc. Going forward, almost half our total revenue will be derived in the U.S.

We also delivered on our commitment of creating value for shareholders. In addition to an 8% appreciation in our net income from continuing operations during the year, we increased our quarterly dividend by 11.8%, while making diligent use of free cash flow by repurchasing 6.4 million shares and reimbursing debt.

The relatively fragile economy led to a challenging freight environment for most of 2016. As North American manufacturing activity continued to lag, the transportation industry was affected by overcapacity, limiting volume growth and putting pressure on rates.

In this context, TFI International's decentralized and diversified business model once again proved resilient. We rapidly adapted supply to evolving market conditions and made appropriate investments to capture profitable business opportunities in fast-growing niches, such as e-commerce. At the same time, we largely reduced or eliminated supply in low-return activities.

In so doing, TFI International generated superior returns and solid cash flow. In keeping with our stated policy, this cash flow was returned to shareholders through dividends and share repurchases, while excess funds were used to reimburse debt.

BUILDING VALUE THROUGH STRATEGIC ACQUISITIONS

Acquisitions have been an essential component of TFI International's growth strategy and we are proud of our proven record of buying the right companies at the right price. Over the years, our network has strengthened considerably by gaining access to a broader service offering, enhancing density and, most importantly, adding seasoned management.

In 2016, we completed one of the most important transactions in our history by acquiring the North American truckload operation of XPO Logistics, Inc. With annual revenue of approximately US\$530 million, this acquisition immediately positions TFI International as one of the leading truckload carriers in the United States.

We acquired a very well-run company of scale with numerous strategic benefits, including a blue-chip customer base, solid profitability and a business culture similar to ours. The transaction also creates important access to the Mexican market and we expect to benefit from the increasingly growing cross-border trading activity. We have also decided to revive the CFI brand, a well-known and trusted name under which these activities used to be carried out.

Going forward, nearly half of our total revenue will originate in the United States, where we now have critical mass, greater density and an enhanced service offering. A similar proportion of our activities will come from our Truckload segment.

FOCUS ON PROFITABLE NICHES TO MAXIMIZE RETURNS

As a solution-driven company, TFI International makes efficient use of leading-edge decision making tools to meet and exceed customer requirements. Traditional methods of shipping are changing and TFI International is at the forefront of this evolution.

In the Package and Courier (P&C) segment, we are increasingly pursuing opportunities in same-day, last-mile delivery related to e-commerce. E-commerce accounted for revenue of \$315 million in 2016, representing approximately 24% of our P&C business. In parallel, the non-renewal of low-margin business and ongoing measures to right-size activities by consolidating certain facilities boosted operating profitability.

The Less-than-Truckload (LTL) sector remains affected by continued soft economic conditions in Western Canada and industry overcapacity resulting from the declining traditional “brick and mortar” business model. In this context, we proactively adapted supply to demand by exiting certain low-density markets and not renewing business generating weak margins. Additionally, we maintained our focus on high-return, “asset-light” activities, such as intermodal transportation, which lowered costs and improved operating efficiency.

The Truckload (TL) market was impacted by a difficult U.S. freight environment, resulting in pressure on volume and rates. Our divisions servicing the oil and gas industry also faced further business decline. In this challenging environment, TFI International stepped-up M&A efforts to be well-positioned for a recovery and we believe the acquisition of CFI was made at the most appropriate time and stabilizes our Truckload business. In addition, as part of our “asset-light” strategy, we further increased our proportion of revenue derived from brokerage services, while continuing to dispose of excess assets.

Our logistics business concluded the year with lower revenue, although any year-over-year comparison is somewhat misleading due to non-recurring revenue in the prior year. Logistics activities are an essential constituent of our efforts to optimize the utilization of TFI International's resources. We remain fully committed to these asset-light activities that complement our service offering.

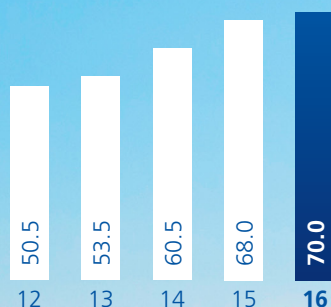
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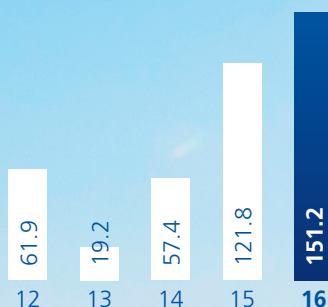
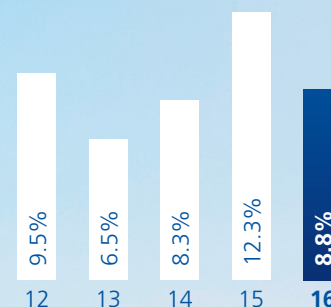
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DIVIDEND PER SHARE

(in cents)

**REPURCHASE OF COMMON SHARES**

(in millions of \$)

**FREE CASH FLOW YIELD FROM CONTINUING OPERATIONS****FINANCIAL HIGHLIGHTS**

TFI International concluded 2016 with total revenue from continuing operations of \$4.0 billion. Net of fuel surcharge, revenue amounted to \$3.7 billion, up 2% from the previous year. This increase was driven by acquisitions and growing e-commerce activity, which more than offset lower LTL and conventional TL activity.

Operating income from continuing operations totaled \$258.2 million, or 7.0% of revenue before fuel surcharge, versus 7.6% last year. Although we achieved significant cost reductions in P&C and LTL, weak economic fundamentals affected our TL operations, particularly in the U.S. domestic market.

Net income from continuing operations increased 7.8%, reaching \$157.1 million, or \$1.64 per diluted share in 2016, up from \$145.7 million, or \$1.43 per diluted share in 2015.

Reflecting cash generated by operating activities and the ongoing disposal of excess assets, free cash flow from continuing operations reached \$288.3 million, or \$3.08 per share. This represented a solid free cash flow yield of 8.8% based on the year-end share price. These funds were returned to shareholders through the repurchase of common shares (\$151.2 million) and dividend payments (\$64.1 million), while excess funds were used to reimburse debt.

CONFIDENTLY LOOKING AHEAD

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

In P&C, the emergence of e-commerce will remain a key driver. We will also continue to focus on improving our operating efficiency and productivity. Although conditions in the LTL sector are not

expected to improve materially, TFI International's discipline and targeted service offering should produce improved returns. In the TL market, we will leverage our expanded North American reach following our recent acquisition. However, market conditions will remain difficult in the U.S. in the first half of 2017, but should gradually improve in the second half.

TFI International's growth will also stem from executing its selective acquisition strategy. We remain committed to a highly-disciplined approach of acquiring profitable and well-managed companies. Our prime targets consist of "asset-light" operations that offer synergies and reinforce existing operations. We also look for specialized niche players with activities that generate higher return and increase service offerings. This was evidenced by two strategic acquisitions completed at the turn of the fiscal year. National Fast Freight builds upon our existing foundation in the LTL intermodal market, while World Courier Ground, now TForce Critical, diversifies our U.S. Package and Courier activities into the important medical last mile business.

Whether acquiring new companies or divesting of non-core activities, our strategic orientations are guided by an unwavering commitment to create shareholder value. This fundamental principle also drives our daily actions towards the goal of maximizing cash flow. In this regard, we will continue to diligently use excess funds to buy back our shares and reimburse debt.

A STRONG TEAM

Decentralization and accountability are the cornerstones of our philosophy. We recognize the pivotal role of our employees in the success of their local business units which, in turn, benefits the entire organization and shareholders. Building a strong, sustainable business would not be possible without their contribution. I am very grateful for their dedication and passion that set TFI International apart in a highly competitive marketplace.

I also wish to thank TFI International's Board of Directors for their guidance and contribution during the year. Together, we are focused on the best interest of shareholders to enhance value.



Alain Bédard

Chairman of the Board,
President and Chief Executive Officer

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Whether acquiring new companies or divesting of non-core activities, our strategic orientations are guided by an unwavering commitment to create shareholder value.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2016

GENERAL INFORMATION

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

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

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

SELECTED FINANCIAL DATA AND HIGHLIGHTS

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

¹ Please refer to the section "Non-IFRS financial measures".

Q4 Highlights

- TFI International delivered strong Q4 results boosted by business acquisitions and existing operations. Total revenue from continuing operations increased 11%, mainly from business acquisitions, somewhat offset by freight volume decreases in existing operations. Operating income from continuing operations increased 8% on higher revenue.
- On October 27, the Company announced the acquisition of the North American truckload operation of XPO Logistics. This important transaction further reinforces TFI International as a leading player in the U.S. truckload market and expands its footprint in Mexico. Under TFI International, this operating division reverted to its former name, CFI, which was used prior to the company's acquisition by Con-Way Inc. in 2007. CFI has prominent market positions in domestic U.S. and cross-border Mexico freight.
- As a result of the CFI acquisition and TFI International's existing businesses, approximately 50% of TFI International's run-rate revenue is now generated in the United States. The Company changed its corporate name from TransForce Inc. to TFI International Inc. to reflect this increased geographic scope of operations.
- E-commerce fulfillment continued to outperform as total revenue from e-commerce services grew 38%, or \$26.6 million, to \$96.2 million in Q4 2016 in the Package and Courier segment and grew 15%, or \$4.6 million, to \$34.7 million in the Truckload segment.
- On December 28, the Company completed the acquisition of National Fast Freight, an asset-light Canadian-based transportation company providing Less-Than-Truckload ("LTL") intermodal services across Canada.
- Total revenue from continuing operations increased by \$110.9 million, to \$1,137.7 million, as a result of business acquisitions' contributions of \$142.5 million, offset by volume decreases in the existing regional LTL and Truckload ("TL") operations as management continued to focus on quality of revenue.

- Operating income from continuing operations increased 8% to \$72.1 million from the same quarter last year as a result of business acquisitions and improved operating margin in existing operations (from 7.1% in Q4 2015 to 7.6% in this quarter). On a consolidated basis, the operating margin¹ stood at 7.0%, similar to the same quarter last year.
- Operating income from continuing operations excluding business acquisitions increased 3% to \$68.6 million.
- Net income was \$45.3 million, up 4% from last year as a result of better operating income from continuing operations and lower net finance costs and effective tax rate, which were offset by lower net income from discontinued operations. Last year's net income was \$43.6 million. The diluted earnings per share (diluted "EPS") were 48 cents, up 9% from 44 cents last year.
- Adjusted diluted EPS from continuing operations¹, a non-IFRS measure, increased 30% to 56 cents from 43 cents in Q4 2015.
- Free cash flow ("FCF") from continuing operations¹, a non-IFRS measure, was \$98.0 million, lower than the \$125.8 million generated in Q4 2015, due primarily to negative changes in operating working capital from continuing operations.
- In Q4, the Company's long-term debt was at \$1,584.8 million, an increase of \$731.0 million from last quarter mainly due to the CFI acquisition.

ABOUT TFI INTERNATIONAL

Services

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

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

Seasonality of operations

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

Human resources

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

Equipment

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

Terminals

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

¹ Please refer to the section "Non-IFRS financial measures".

Customers

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

Revenue by Top Customers' Industry (59% of total revenue)

Retail	38%
Manufactured Goods	13%
Automotive	8%
Services	7%
Food & Beverage	6%
Forest Products	6%
Energy	5%
Building Materials	4%
Metals & Mining	4%
Chemicals & Explosives	3%
Maritime Containers	2%
Others	4%

(As of December 31, 2016)

CONSOLIDATED RESULTS

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

2016 significant business acquisitions

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

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

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

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

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

Revenue from continuing operations

TFI International reported a revenue increase from continuing operations mainly as a result of business acquisitions. For the fourth quarter ended December 31, 2016, total revenue from continuing operations increased by \$110.9 million, or 11%, to \$1,137.7 million from \$1,026.8 million in Q4 2015. This increase is mainly due to a \$142.5 million contribution from business acquisitions, which was offset by a decrease from lower volumes in existing operations. There was no significant year-over-year foreign currency impact on this quarter's revenue as the average exchange rate used to convert TFI International's revenue generated in U.S. dollars was similar to that used in the same quarter last year. With respect to revenue before fuel surcharge from existing operations, increases in the Package and Courier segment were largely offset by decreases in the regional LTL and TL operations.

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

Operating expenses from continuing operations

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

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

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

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

The adjusted operating ratio¹, a non-IFRS measure, was virtually unchanged at 93.0% in this quarter, compared to 92.9% for Q4 2015, as the Company successfully reduced its operating expenses in conjunction with the volume decline. Excluding business acquisitions, the adjusted operating ratio improved to 92.4% from 92.9% in Q4 2015 which is in line with the Company's primary focus of concentrating on quality revenue and being efficient when serving its customers.

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

Operating income from continuing operations

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

¹ Please refer to the section "Non-IFRS financial measures".

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

Finance income and costs from continuing operations

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

Interest expense on long-term debt

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

Net foreign exchange gain or loss and hedge accounting

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

Net change in fair value of derivatives

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

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

Others

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

Income tax expense from continuing operations

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

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

Net income (loss) from discontinued operations

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

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

Net income and adjusted net income from continuing operations

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31		Years ended December 31	
	2016	2015	2016	2015
Net income	45,339	43,646	639,579	163,437
Amortization of intangible assets related to business acquisitions, net of tax	9,234	7,651	32,744	28,785
Net change in fair value of derivatives, net of tax	(2,068)	(3,943)	3,546	9,483
Net foreign exchange loss (gain), net of tax	(884)	(1,568)	1,546	(993)
Tax on multi-jurisdiction distributions	(501)	140	83	2,575
Net loss (income) from discontinued operations	1,048	(3,041)	(482,520)	(17,705)
Adjusted net income from continuing operations¹	52,168	42,885	194,978	185,582
Adjusted earnings per share from continuing operations¹ – basic	0.57	0.44	2.08	1.85
Adjusted earnings per share from continuing operations¹ – diluted	0.56	0.43	2.04	1.82

¹ Please refer to the section "Non-IFRS financial measures".

For the three-month period ended December 31, 2016, TFI International's net income increased \$1.7 million to \$45.3 million compared to \$43.6 million in Q4 2015 mainly due to higher operating income from continuing operations of \$5.6 million, offset by a lower net income from discontinued operations (a loss in 2016 vs. a profit in 2015), of \$4.1 million. The Company's adjusted net income from continuing operations¹, a non-IFRS measure, which excludes items listed in the above table, was \$52.2 million for the fourth quarter compared to \$42.9 million in Q4 2015, up 22% or \$9.3 million. The adjusted earnings per share from continuing operations, fully diluted, increased by 30% to 56 cents as a result of higher earnings and share buy-backs; the weighted average number of shares outstanding decreased by 6.3 million, or 6%, on a year-over-year basis.

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

SEGMENTED RESULTS

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

Selected segmented financial information from continuing operations

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

¹ Before eliminations, except for the total.

² As a percentage of revenue before fuel surcharge.

³ Additions to property and equipment, net of proceeds from sale of property and equipment and assets held for sale.

⁴ 2016 net capital expenditures include proceeds from the sale of properties for consideration of \$7.1 million in LTL (\$5.0 million in Q4), \$10.6 million in TL (\$0.5 million in Q4) and \$3.7 million in Logistics (nil in Q4).

⁵ 2015 net capital expenditures include proceeds from the sale of properties for consideration of \$13.6 million in LTL (\$5.8 million in Q4), \$19.2 million in TL (nil in Q4) and \$12.6 million in Logistics (nil in Q4).

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

Package and Courier

(unaudited) - (in thousands of dollars)

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

Revenue

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

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

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

Operating expenses

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

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

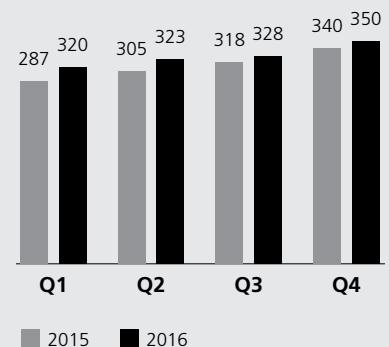
Operating income

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

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

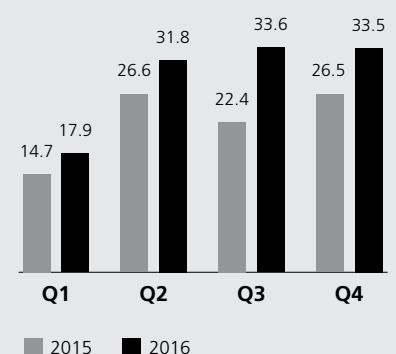
Revenue - Package and Courier

(in millions of \$)



Operating income - Package and Courier

(in millions of \$)



Less-Than-Truckload

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

Revenue

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

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

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

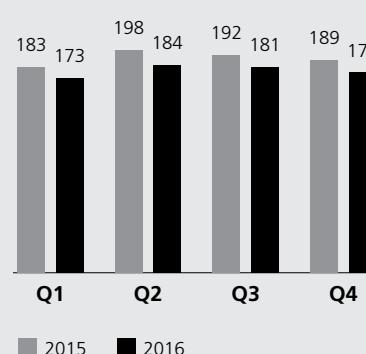
Operating expenses

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

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

Revenue - LTL

(in millions of \$)



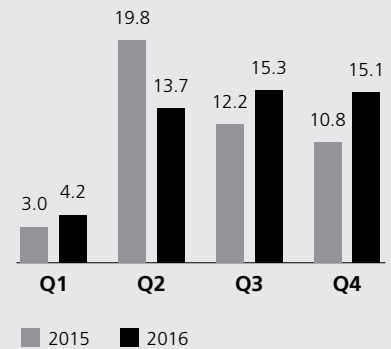
Operating income

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

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

Operating income - LTL

(in millions of \$)



Truckload

(unaudited) - (in thousands of dollars)

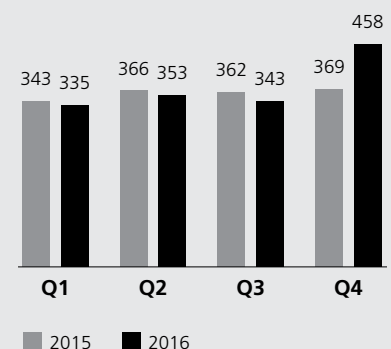
	Fourth quarters ended December 31				Years ended December 31			
	2016	%	2015	%	2016	%	2015	%
Total revenue	507,712		405,301		1,632,390		1,614,191	
Fuel surcharge	(49,792)		(36,608)		(143,196)		(174,965)	
Revenue	457,920	100.0%	368,693	100.0%	1,489,194	100.0%	1,439,226	100.0%
Materials and services expenses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

Revenue

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

Revenue - Truckload

(in millions of \$)



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

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

Operating expenses

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

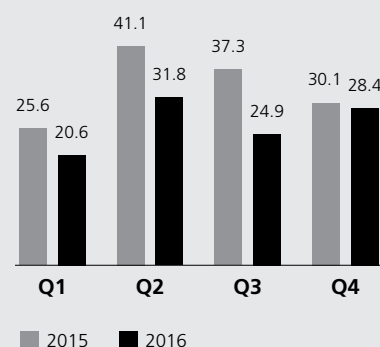
For the year ended December 31, 2016, operating expenses increased by \$78.3 million or 6% from \$1,305.1 million in 2015 to \$1,383.5 million. Excluding the 2016 business acquisitions, the operating expenses for the TL segment decreased by \$63.6 million or 5%. The Company continues to dispose of any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

Operating income

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

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

Operating income - Truckload
(in millions of \$)



Logistics

(unaudited) - (in thousands of dollars)

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

Revenue

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

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

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

Operating expenses

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

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

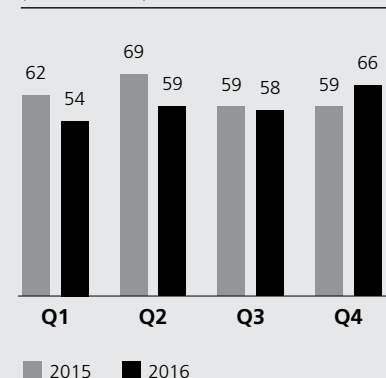
Operating income

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

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

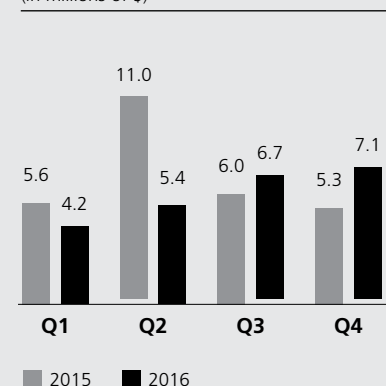
Revenue - Logistics

(in millions of \$)



Operating income - Logistics

(in millions of \$)



LIQUIDITY AND CAPITAL RESOURCES

Sources and uses of cash

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

Cash flow from operating activities from continuing operations

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

Cash flow used in investing activities from continuing operations

Property and equipment

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

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

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

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

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

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

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

Business acquisitions

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

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

Cash flow from discontinued operations

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

Free cash flow from continuing operations

(unaudited) (in thousands of dollars, except per share data)	Fourth quarters ended December 31		Years ended December 31	
	2016	2015	2016	2015
Net cash from operating activities from continuing operations	109,815	136,787	337,908	358,845
Additions to property and equipment	(31,017)	(29,117)	(110,560)	(157,802)
Proceeds from sale of property and equipment	19,240	16,235	60,992	68,065
Proceeds from sale of assets held for sale	—	1,857	—	22,410
Free cash flow from continuing operations¹	98,038	125,762	288,340	291,518
Free cash flow from continuing operations per share¹	1.07	1.29	3.08	2.91

¹ Please refer to the section "Non-IFRS financial measures".

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

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

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

Financial position

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

Compared to December 31, 2015, the Company's total assets, long-term debt and shareholders' equity varied mainly due to the sale of the Waste group in Q1 and the 2016 business acquisitions. Total assets increased by \$693.4 million mainly due to assets purchased through business acquisitions for \$1,111.9 million. This was offset by the Waste disposition for \$219.4 million³, \$53.6 million of amortization of intangible assets, \$41.1 million on lower income taxes recoverable, derivative financial instruments and assets held for sale and approximately \$30.0 million from currency variations. Long-term debt decreased by \$30.3 million compared to last year mainly due to the proceeds from the sale of the Waste group offset by the 2016 business acquisitions. Shareholders' equity increased mostly as a result of the \$490.8 million after-tax gain on the sale of the Waste group. Consequently, the debt-to-equity ratio and the debt-to-capitalization ratio improved significantly compared to December 31, 2015 and 2014. The Company's current financial position reflects an appropriate debt level to further pursue its acquisition strategy. Strict cash flow management and cash flow generated from operations have allowed the Company to pursue debt reduction when the situation has dictated.

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

Contractual obligations

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

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

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

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

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

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

¹ Long-term debt divided by shareholders' equity.

² Long-term debt divided by the sum of shareholders' equity and long-term debt.

³ As at December 31, 2015, the Waste Management segment's net assets were presented on a net basis under "Disposal group held for sale" on the statements of financial position

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

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

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

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

Commitments, contingencies and off-balance sheet arrangements

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

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

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

Dividends and outstanding share data

Dividends

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

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

NCIB on common shares

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

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

SIB on common shares

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

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

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

Outstanding shares, stock options and restricted share units

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

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

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

Legal proceedings

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

Subsequent events

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

OUTLOOK

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

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

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

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

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

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

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

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

SUMMARY OF EIGHT MOST RECENT QUARTERLY RESULTS

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

¹ Please refer to the section "Non-IFRS financial measures".

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

NON-IFRS FINANCIAL MEASURES

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

Adjusted net income from continuing operations: Net income excluding amortization of intangible assets related to business acquisitions, net changes in the fair value of derivatives, net foreign exchange gain or loss, net income or loss from discontinued operations and items that are not in the Company's normal business, net of tax. In presenting an adjusted net income from continuing operations and adjusted earnings per share from continuing operations, the Company's intent is to help provide an understanding of what would have been the net income and earnings per share in a context of significant business combinations and excluding specific impacts and to reflect earnings from a strictly operating perspective. The amortization of intangible assets related to business acquisitions comprises amortization expense of customer relationships, trademarks, non-compete agreements and permits accounted for in business combinations and the income tax effects related to this amortization. Management also believes, in excluding amortization of intangible assets related to business acquisitions, it provides more information on the amortization of intangible asset expense portion, net of tax, that will not have to be replaced to preserve the Company's ability to generate similar future cash flows. See reconciliation on page 15.

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

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

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

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

EBITDA from continuing operations

(unaudited)
(in thousands of dollars)

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

Free cash flow from continuing operations: Net cash from operating activities from continuing operations less additions to property and equipment plus proceeds from sale of property and equipment and assets held for sale. Management believes that this measure provides a benchmark to evaluate the performance of the Company in regard to its ability to meet capital requirements. See reconciliation on page 23.

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

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

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

Adjusted operating ratio

(unaudited)

(in thousands of dollars)

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

RISKS AND UNCERTAINTIES

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

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

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

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

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

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

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

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

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

General Economic, Credit, Business and Regulatory Conditions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee and Company's Labour Relations. At the date hereof, the collective agreements between the Company and the vast majority of the Company's unionized employees have been renewed. The Company's unionized employees are all Canadian employees, and the Company does not currently have union contracts in place with respect to any of the Company's United States operations. Although the Company believes that the Company's relations with the Company's employees are satisfactory, no assurance can be given that the Company will be able to successfully extend or renegotiate the Company's current collective agreements as they expire from time to time. If the Company fails to extend or renegotiate the Company's collective agreements, if disputes with the Company's unions arise, or if the Company's unionized workers engage in a strike or other work stoppage or interruption, the Company could experience a significant disruption of, or inefficiencies in, the Company's operations or incur higher labour costs, which could have a materially adverse effect on the Company's business, results of operations, financial condition and liquidity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

CHANGES IN ACCOUNTING POLICIES

Adopted during the period

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

Annual Improvements to IFRS (2012-2014 cycle)

Disclosure Initiative: *Amendments to IAS 1*

IFRS 9, *Financial Instruments (2014)*

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

To be adopted in future periods

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

IFRS 15, *Revenue from Contracts with Customers*

IFRS 16, *Leases*

Disclosure Initiative: *Amendments to IAS 7*

Recognition of Deferred Tax Assets for Unrealized Losses:
Amendments to IAS 12

Classification and Measurement of Share-based Payment Transactions: *Amendments to IFRS 2*

Annual Improvements to IFRS Standards (2014-2016 cycle)

IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

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

CONTROLS AND PROCEDURES

In compliance with the provisions of Canadian Securities Administrators' Regulation 52-109, the Company has filed certificates signed by the President and Chief Executive Officer ("CEO") and by the Chief Financial Officer ("CFO") that, among other things, report on:

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

Disclosure controls and procedures ("DC&P")

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

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

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

Internal controls over financial reporting ("ICFR")

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

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

Limitation on scope of design

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

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

Statement of Financial Position

(unaudited)	
(in thousands of dollars)	
	CFI
Current assets	106,390
Non-current assets	896,097
Current liabilities	61,130
Non-current liabilities	208,888

Statement of Comprehensive Income

Total revenue	119,880
Net income	1,844

Changes in internal controls over financial reporting

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

MANAGEMENT'S RESPONSIBILITY



The consolidated financial statements of TFI International Inc. and all information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in conformity with International Financial Reporting Standards. They include some amounts that are based on management's best estimates and judgement. Financial information included elsewhere in the annual report is consistent with that in the financial statements.

The management of TFI International Inc. has developed and maintains an internal accounting system and administrative controls in order to provide reasonable assurance that the financial transactions are properly recorded and carried out with the necessary approval, and that the consolidated financial statements are properly prepared and the assets properly safeguarded.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its Audit Committee. The Audit Committee reviews the Company's annual consolidated financial statements and recommends their approval by the Board of Directors.

These financial statements have been audited by the independent auditors, KPMG LLP, whose report follows.

A handwritten signature in black ink, appearing to read "Alain Bédard", written in a cursive style.

Alain Bédard, FCPA, FCA
Chairman of the Board,
President and Chief Executive Officer
February 16, 2017

INDEPENDENT AUDITORS' REPORT



To the Shareholders of TFI International Inc. (formerly TransForce Inc.)

We have audited the accompanying consolidated financial statements of TFI International Inc., which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TFI International Inc. as at December 31, 2016 and December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

February 16, 2017

Montréal, Canada

*CPA auditor, CA, public accountancy permit No. A109612

December 31, 2016 and 2015

(in thousands of Canadian dollars)		As at December 31,	As at December 31,
	Note	2016	2015
Assets			
Cash and cash equivalents		3,654	—
Trade and other receivables	7	569,181	507,872
Inventoried supplies		8,520	7,073
Current taxes recoverable		11,370	14,976
Prepaid expenses		38,746	29,961
Derivative financial instruments	24	741	11,375
Assets held for sale	6	1,850	27,746
Disposal group held for sale	6	—	219,403
Current assets		634,062	818,406
Property and equipment	9	1,395,071	981,861
Intangible assets	10	1,989,648	1,562,500
Other assets	11	42,809	8,143
Deferred tax assets	16	8,410	6,960
Derivative financial instruments	24	1,287	—
Non-current assets		3,437,225	2,559,464
Total assets		4,071,287	3,377,870
Liabilities			
Bank indebtedness		—	19,112
Trade and other payables	12, 2e)	476,545	438,059
Current taxes payable	2e)	57,717	10,875
Derivative financial instruments	24	2,376	3,063
Long-term debt	13	40,498	604,789
Current liabilities		577,136	1,075,898
Long-term debt	13	1,544,317	1,010,311
Employee benefits	14	14,282	13,761
Provisions	15	44,406	10,758
Derivative financial instruments	24	3,707	9,579
Deferred tax liabilities	16	423,342	234,823
Other financial liability		5,447	2,941
Non-current liabilities		2,035,501	1,282,173
Total liabilities		2,612,637	2,358,071
Equity			
Share capital	17	723,390	764,343
Contributed surplus	17, 19	20,230	17,819
Accumulated other comprehensive income		51,977	46,542
Retained earnings	2e)	663,053	191,095
Equity attributable to owners of the Company		1,458,650	1,019,799
Operating leases, contingencies and letters of credit	25		
Subsequent event	27		
Total liabilities and equity		4,071,287	3,377,870

The notes on pages 45 to 92 are an integral part of these consolidated financial statements.

On behalf of the Board:



Alain Bédard
Director



André Bérard
Director

Years Ended December 31, 2016 and 2015

(In thousands of Canadian dollars, except per share amounts)		Note	2016	2015
Revenue			3,704,488	3,630,863
Fuel surcharge			320,720	399,026
			4,025,208	4,029,889
Materials and services expenses	20		2,352,594	2,385,971
Personnel expenses	20		998,031	978,458
Other operating expenses	20		243,713	240,234
			3,594,338	3,604,663
Operating income before depreciation, amortization and gain on sales			430,870	425,226
Depreciation of property and equipment	20		139,439	129,096
Amortization of intangible assets	20		53,647	47,130
Gain on sale of property and equipment	20		(20,429)	(23,565)
Gain on sale of assets held for sale	20		—	(3,896)
Operating income			258,213	276,461
Finance income	22		(4,832)	(1,894)
Finance costs	22		59,714	77,599
Net finance costs			54,882	75,705
Income before income tax			203,331	200,756
Income tax expense	23		46,272	55,024
Net income from continuing operations			157,059	145,732
Net income from discontinued operations	6		482,520	17,705
Net income for the year attributable to owners of the Company			639,579	163,437
Earnings per share attributable to owners of the Company				
Basic earnings per share	18		6.83	1.63
Diluted earnings per share	18		6.70	1.60
Earnings per share from continuing operations attributable to owners of the Company				
Basic earnings per share	18		1.68	1.45
Diluted earnings per share	18		1.64	1.43

The notes on pages 45 to 92 are an integral part of these consolidated financial statements.

Years Ended December 31, 2016 and 2015

(In thousands of Canadian dollars)	2016	2015
Net income for the year attributable to owners of the Company	639,579	163,437
Other comprehensive income (loss)		
Items that may be reclassified to income or loss in future years:		
Foreign currency translation differences	(24,788)	116,881
Net investment hedge, net of tax	22,373	(98,988)
Changes in fair value of cash flow hedge, net of tax	9,125	—
Employee benefits, net of tax	(221)	—
Unrealized gain on investment in equity securities available for sale, net of tax	923	649
Reclassification to income of accumulated unrealized gain on investment in equity securities available for sale, net of tax	(923)	(649)
Items that may never be reclassified to income or loss in future years:		
Defined benefit plan remeasurement gains (losses), net of tax	407	(338)
Items directly reclassified to retained earnings:		
Realized loss on investments, net of tax	(260)	—
Unrealized loss on investments measured at fair value through OCI, net of tax	(1,054)	—
Other comprehensive income for the year, net of tax	5,582	17,555
Total comprehensive income for the year attributable to owners of the Company	645,161	180,992

The notes on pages 45 to 92 are an integral part of these consolidated financial statements.

Years Ended December 31, 2016 and 2015

(In thousands of Canadian dollars)	Note	Share capital	Contributed surplus	Accumulated unrealized loss on employee benefit plans	Accumulated cash flow hedge gain	Accumulated foreign currency translation differences	Accumulated unrealized loss on investment in equity securities	Retained earnings	Total equity attributable to owners of the Company
Balance as at December 31, 2015	2e)	764,343	17,819	—	—	46,542	—	191,095	1,019,799
Net income for the year		—	—	—	—	—	—	639,579	639,579
Other comprehensive (loss) income, net of tax		—	—	(221)	9,125	(2,415)	(1,054)	147	5,582
Total comprehensive (loss) income for the year		—	—	(221)	9,125	(2,415)	(1,054)	639,726	645,161
Share-based payment transactions	19	—	6,164	—	—	—	—	—	6,164
Stock options exercised	17, 19	8,259	(1,742)	—	—	—	—	—	6,517
Dividends to owners of the Company		—	—	—	—	—	—	(64,867)	(64,867)
Repurchase of own shares	17	(50,478)	—	—	—	—	—	(100,722)	(151,200)
Restricted share units exercised	19	1,266	(2,011)	—	—	—	—	(2,179)	(2,924)
Total transactions with owners, recorded directly in equity		(40,953)	2,411	—	—	—	—	(167,768)	(206,310)
Balance as at December 31, 2016		723,390	20,230	(221)	9,125	44,127	(1,054)	663,053	1,458,650
Balance as at December 31, 2014	2e)	799,100	14,333	—	—	28,649	—	179,758	1,021,840
Net income for the year		—	—	—	—	—	—	163,437	163,437
Other comprehensive income (loss) for the year, net of tax		—	—	—	—	17,893	—	(338)	17,555
Total comprehensive income for the year		—	—	—	—	17,893	—	163,099	180,992
Share-based payment transactions	19	—	4,356	—	—	—	—	(15)	4,341
Stock options exercised	17, 19	2,767	(630)	—	—	—	—	—	2,137
Dividends to owners of the Company		—	—	—	—	—	—	(67,758)	(67,758)
Repurchase of own shares	17	(37,764)	—	—	—	—	—	(83,989)	(121,753)
Warrants exercised	17	240	(240)	—	—	—	—	—	—
Total transactions with owners, recorded directly in equity		(34,757)	3,486	—	—	—	—	(151,762)	(183,033)
Balance as at December 31, 2015	2e)	764,343	17,819	—	—	46,542	—	191,095	1,019,799

The notes on pages 45 to 92 are an integral part of these consolidated financial statements.

Years Ended December 31, 2016 and 2015

(In thousands of Canadian dollars)	Note	2016	2015
Cash flows from operating activities			
Net income for the year attributable to owners of the Company		639,579	163,437
Net income from discontinued operations	6	482,520	17,705
Net income from continuing operations		157,059	145,732
Adjustments for			
Depreciation of property and equipment	9	139,439	129,096
Amortization of intangible assets	10	53,647	47,130
Share-based payment transactions	19	6,164	4,341
Net finance costs	22	54,882	75,705
Income tax expense	23	46,272	55,024
Gain on sale of property and equipment	20	(20,429)	(23,565)
Gain on sale of assets held for sale	20	—	(3,896)
Provisions and employee benefits		6,577	2,719
		443,611	432,286
Net change in non-cash operating working capital	8	14,659	55,051
Cash generated from operating activities		458,270	487,337
Interest paid		(42,856)	(62,134)
Income tax paid		(77,099)	(60,791)
Net realized loss on derivatives		(407)	(5,567)
Net cash from operating activities from continuing operations		337,908	358,845
Net cash (used in) from operating activities from discontinued operations		(1,631)	66,079
		336,277	424,924
Cash flows from investing activities			
Purchases of property and equipment		(110,443)	(155,875)
Proceeds from sale of property and equipment		60,992	68,065
Proceeds from sale of assets held for sale		—	22,410
Purchases of intangible assets	10	(1,835)	(1,714)
Business combinations, net of cash and bank indebtedness acquired	5	(798,303)	(44,764)
Purchases of investments		(29,711)	(4,921)
Proceeds from sale of investments		13,404	5,757
Others		65	176
Net cash used in investing activities from continuing operations		(865,831)	(110,866)
Net cash from investing activities from discontinued operations		771,189	12,711
		(94,642)	(98,155)
Cash flows from financing activities			
(Decrease) increase in bank indebtedness		(20,245)	1,293
Proceeds from long-term debt		615,529	37,988
Repayment of long-term debt		(621,592)	(177,079)
Dividends paid		(64,066)	(68,555)
Repurchase of own shares		(151,200)	(121,753)
Proceeds from exercise of stock options		6,517	2,137
Payment of restricted share units		(2,924)	—
Net cash used in financing activities from continuing operations		(237,981)	(325,969)
Net cash used in financing activities from discontinued operations		—	(800)
		(237,981)	(326,769)
Net change in cash and cash equivalents		3,654	—
Cash and cash equivalents, beginning of year		—	—
Cash and cash equivalents, end of year		3,654	—

The notes on pages 45 to 92 are an integral part of these consolidated financial statements.

1. Reporting entity

TFI International Inc. (the "Company"), formerly TransForce Inc., is incorporated under the Canada Business Corporations Act, and is a company domiciled in Canada. The address of the Company's registered office is 8801 Trans-Canada Highway, Suite 500, Montreal, Quebec, H4S 1Z6.

The consolidated financial statements of the Company as at and for the years ended December 31, 2016 and 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The Group is involved in the provision of transportation and logistics services across the United States, Canada and Mexico.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on February 16, 2017.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- investment in equity securities, derivative financial instruments, forward purchase agreement and contingent considerations are measured at fair value;
- liabilities for cash-settled share-based payment arrangements are measured at fair value in accordance with IFRS 2;
- the defined benefit pension plan liability is recognized as the net total of the present value of the defined benefit obligation less the fair value of the plan assets; and
- assets and liabilities acquired in business combinations are measured at fair value at acquisition date.

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars ("C\$" or "CDN\$"), which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) Use of estimates and judgments

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

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates. Changes in those estimates and assumptions resulting from changes in the economic environment will be reflected in the financial statements of future periods.

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Establishing the fair value of assets and liabilities, intangible assets and goodwill related to business combinations;

Note 10 – Determining estimates and assumptions related to impairment tests for long-lived assets and goodwill;

Note 6, 15 and 25 – Recognition and measurement of provisions and contingencies.

2. Basis of preparation (continued)**e) Comparative information**

In fiscal 2016, the Company corrected an immaterial error in the comparative 2015 statement of financial position related to customer adjustments arising principally in the LTL segment by the following amounts as at January 1, 2015 and December 31, 2015: decrease of \$7.6 million in retained earnings, increase of \$10.3 million in accounts payable and decrease of \$2.7 million in current taxes payable.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

a) Basis of consolidation**i) Business combinations**

The Group measures goodwill as the fair value of the consideration transferred including the fair value of liabilities resulting from contingent consideration arrangements, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at fair value as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in income or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Group.

iii) Forward purchase agreement

As part of a certain business combination, the Company has entered into a forward purchase agreement to purchase the non-controlling interest holders stake in the respective company. Under the forward purchase agreement the Company will acquire the non-controlling interest in the future at a formulaic variable price based mainly on the earnings levels in future periods (the "exit price"). The agreement does not include a specified minimum amount for the forward purchase price.

When the forward granted to the non-controlling shareholders provides for settlement in cash or in another financial asset by the Company, the Company is required to recognize a liability for the present value of the exercise price of the forward.

In accounting for this transaction, the Company applies the anticipated acquisition method of accounting. Under this method of accounting, the forward purchase agreement is accounted for on the date of the forward purchase agreement as if the forward had already been exercised and satisfied by the non-controlling shareholders. As a result, the underlying interests are presented as already owned by the Company in the consolidated statements of financial position, the consolidated statements of income and the consolidated statements of comprehensive income, even though legally they are still considered non-controlling interest.

The forward purchase agreement is considered a financial liability and is initially recognized at the present value of the exercise price of the forward (recorded as other financial liability on the consolidated statements of financial position). The forward is re-measured to fair value at each reporting date and any subsequent changes are recognized in the consolidated statements of income as finance income or costs.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. Significant accounting policies (continued)

b) Foreign currency translation

i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate in effect at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the rate in effect on the transaction date. Income and expense items denominated in foreign currency are translated at the date of the transactions. Gains and losses are included in income or loss.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on business combinations, are translated to Canadian dollars at exchange rates in effect at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at the average exchange rate in effect during the reporting period.

Foreign currency differences are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

When a foreign operation is disposed of, the relevant amount in the cumulative amount of foreign currency translation differences is transferred to income or loss as part of the income or loss on disposal. On the partial disposal of a subsidiary while retaining control, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to income or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the accumulated foreign currency translation differences account.

c) Discontinued operations

A discontinued operation is a component of the Group's business; the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of income and comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3. Significant accounting policies (continued)

d) Financial instruments

i) Non-derivative financial assets

The Group initially recognizes financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Group classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets are classified into financial assets measured at amortized cost or financial assets measured at fair value depending on the purpose for which the financial assets were acquired.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

The Group currently classifies its cash equivalents, trade and other receivables and long-term non-trade receivables included in other non-current assets as financial assets measured at amortized cost.

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. The Group has a portfolio of trade receivables at the reporting date. The Group uses a provision matrix to determine the lifetime expected credit losses for the portfolio.

The Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income or loss and reflected in an allowance account against trade and other receivables.

Financial assets measured at fair value

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in income or loss. However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss, and no impairment is recognized in profit or loss. Dividends earned from such investments are recognized in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment.

Financial assets measured at fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3. Significant accounting policies (continued)

d) Financial instruments (continued)

ii) Non-derivative financial liabilities

The Group initially recognizes debt issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are classified into financial liabilities measured at amortized cost and financial liabilities measured at fair value.

Financial liabilities measured at amortized cost

A financial liability is subsequently measured at amortized cost, using the effective interest method. The Group currently classifies bank indebtedness, trade and other payables and long-term debt as financial liabilities measured at amortized cost.

Financial liabilities measured at fair value

Financial liabilities at fair value are initially recognized at fair value and are re-measured at each reporting date with any changes therein recognized in net earnings. The Group currently classifies its forward purchase agreement liability in connection with a business acquisition as a financial liability measured at fair value.

iii) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, stock options and warrants are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity.

iv) Derivative financial instruments

The Group uses derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through income or loss.

Derivatives and embedded derivatives are recognized initially at fair value; related transaction costs are recognized in income or loss as incurred. Subsequent to initial recognition, derivatives and embedded derivatives are measured at fair value, and changes therein are recognized in net change in fair value of foreign exchange derivatives in income or loss with the exception of net change in fair value of cross currency interest rate swap contracts recognized in net foreign exchange gain or loss in income or loss.

e) Hedge accounting

Management's risk strategy is focused on reducing the variability in profit or losses and cash flows associated with exposure to market risks. Hedge accounting is used to reduce this variability to an acceptable level. The hedges employed by the Group reduce the currency and interest rate fluctuation exposures.

On the initial designation of a hedging relationship, the Group formally documents the relationship between the hedging instrument and the hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be effective in offsetting the changes in the fair value or cash flows of the respective hedged items throughout the period for which the hedge is designated.

3. Significant accounting policies (continued)

e) Hedge accounting (continued)

Net investment hedge

The Group designates a portion of its U.S. dollar ("US\$") denominated debt as a hedging item in a net investment hedge. The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (CDN\$), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the currency translation differences account within equity. To the extent that the hedge is ineffective, such differences are recognized in income or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to income or loss as part of the gain or loss on disposal.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect income or loss, the effective portion of changes in the fair value of the derivatives is recognized in other comprehensive income and presented in accumulated other comprehensive income as part of equity. The amount recognized in other comprehensive income is removed and included in net earnings under the same line item in the consolidated statement of earnings and comprehensive income as the hedged item, in the same period that the hedged cash flows affect income or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income remains in accumulated other comprehensive income until the forecasted transaction affects income or loss. If the forecasted transaction is no longer expected to occur, then the balance in accumulated other comprehensive income is recognized immediately in income or loss.

f) Property and equipment

Property and equipment are accounted for at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset, the costs of dismantling and removing the assets and restoring the site on which they are located, and borrowing costs on qualifying assets.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in net income or loss.

Depreciation is based on the cost of an asset less its residual value and is recognized in income or loss over the estimated useful life of each component of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation method and useful lives are as follows:

Categories	Basis	Useful lives
Buildings	Straight-line	15 – 40 years
Rolling stock	Primarily straight-line	3 – 20 years
Equipment	Primarily straight-line	5 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment are reviewed for impairment in accordance with IAS 36 *Impairment of Assets* when there are indicators that the carrying value may not be recoverable.

3. Significant accounting policies (continued)

g) Intangible assets

i) Goodwill

Goodwill that arises upon business combinations is included in intangible assets.

Goodwill is not amortized and is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Intangible assets consist of customer relationships, trademarks, non-compete agreements and permits, and information technology.

Other intangible assets that are acquired by the Group and have finite lives are measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over the following estimated useful lives:

Categories	Useful lives
Customer relationships	5 – 15 years
Trademarks	5 – 20 years
Non-compete agreements and permits	3 – 40 years
Information technology	5 – 7 years

Useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Leased assets

Leases with terms which indicate that the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group's statements of financial position.

i) Inventoried supplies

Inventoried supplies consist primarily of repair parts and fuel and are measured at the lower of cost and net realizable value.

j) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventoried supplies and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated on December 31 of each year.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs (usually a Group's operating segment), that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

3. Significant accounting policies (continued)**j) Impairment (continued)*****Non-financial assets (continued)***

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, if any, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses and impairment reversals are recognized in income or loss.

k) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in income or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortized or depreciated.

l) Employee benefits**i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in income or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods discounting that amount and deducting the fair value of any plan assets. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Significant accounting policies (continued)

l) Employee benefits (continued)

iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or income-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv) Share-based payment transactions

The grant date fair value of equity share-based payment awards granted to employees is recognized as a personnel expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

The fair value of the amount payable to board members in respect of deferred share unit ("DSU"), which are to be settled in cash, is recognized as an expense with a corresponding increase in liabilities. The liability is remeasured at each reporting date until settlement. Any changes in the fair value of the liability are recognized as finance income or costs in income or loss.

v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be fully settled within 12 months of the end of the reporting period, then they are discounted.

m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the unwinding of the discount is recognized as finance cost.

Self-Insurance

The self-insurance provision represents an accrual for estimated future costs associated with the self-insured portion related to cargo loss, bodily injury, worker's compensation and property damages. The estimates are based on the Group's historical experience including settlement patterns and payment trends. The most significant assumptions in the estimation process include determining the trend in costs and the expected cost to settle outstanding claims. Changes in assumptions and experience could cause these estimates to change significantly in the near term.

n) Revenue recognition

The Group's normal business operations consist of the provision of transportation and logistics services. All income relating to normal business operations is recognized as revenue based on the stage of completion of the service in the statement of income. The stage of completion of the service is determined using the proportion of costs incurred to date compared to the estimated total costs of the service. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Revenue is recognized as services are rendered, when the amount of revenue and income can be reliably measured and in all probability the economic benefits from the transactions will flow to the Group.

o) Lease payments

Payments made under operating leases are recognized in income or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3. Significant accounting policies (continued)**p) Finance income and finance costs**

Finance income comprises interest income on funds invested, available-for-sale financial assets (prior to adoption of IFRS 9, see note 3 t)), dividend income, interest and accretion on promissory note, and bargain purchase gains on business acquisitions. Interest income is recognized as it accrues in income or loss, using the effective interest method.

Finance costs comprise interest expense on bank indebtedness and long-term debt, unwinding of the discount on provisions and impairment losses recognized on financial assets (other than trade receivables).

Fair value gains or losses on derivative financial instruments and on contingent considerations, and foreign currency gains and losses are reported on a net basis as either finance income or cost.

q) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

r) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held, if any. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants, and restricted share units and stock options granted to employees.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief executive officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, income tax assets, liabilities and expenses, as well as long-term debt and interest expense thereon.

Sales between Group's segments are measured at the exchange amount. Transactions, other than sales, are measured at carrying value. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment, and intangible assets other than goodwill.

3. Significant accounting policies (continued)

t) New standards and interpretations adopted during the year

The Group has adopted the following new standards and amendments to standards and interpretations, with a date of initial application of January 1, 2016, except for IFRS 9 (2014). These have been applied in preparing these consolidated financial statements:

Annual Improvements to IFRS (2012-2014 cycle): On September 25, 2014 the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process. The amendments apply for annual periods beginning on or after January 1, 2016. Each of the amendments has its own specific transition requirements. Amendments were made to following in their respective standards:

- Changes in method for disposal under *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*;
- Discount rate in a regional market sharing the same currency under *IAS 19 Employee Benefits*;

Adoption of the amendments from the Annual Improvements to IFRS (2012-2014 cycle) did not have a material impact on the Group's consolidated financial statements.

Disclosure Initiative: Amendments to IAS 1: On December 18, 2014 the IASB issued amendments to *IAS 1 Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments will not require any significant changes to current practice, but should facilitate improved financial statement disclosures. Adoption of Disclosure Initiative: Amendments to IAS 1 did not have a material impact on the Group's consolidated financial statements.

On October 1, 2016, the Group early adopted IFRS 9, Financial Instruments (2014). This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities. This standard introduces a new hedging model which increases the scope of hedged items eligible for hedge accounting and aligns hedge accounting more closely with risk management. IFRS 9 (2014) uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in *IAS 39, Financial Instruments – Recognition and Measurement*. The approach in IFRS 9 (2014) is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 (2014). It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment.

IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however it provides more hedging strategies that are used for risk management to qualify for hedge accounting and introduces more judgment to assess the effectiveness of a hedging relationship. In addition, IFRS 9 (2014) increases the required disclosures about an entity's risk management strategy, cash flows from hedging activities and the impact of hedge accounting on the consolidated financial statements.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 (2014) does not require restatement of comparative periods. The adoption of IFRS 9 (2014) did not result in any measurement adjustments to the financial assets and financial liabilities, and did not result in any changes in the eligibility for hedge accounting and the accounting for the derivative financial instruments designated as effective hedging instruments at the transition date. The management has reviewed the significant accounting policies for financial instruments, derivative financial instruments, and hedging relationships to align them with IFRS 9 (2014).

3. Significant accounting policies (continued)**t) New standards and interpretations adopted during the year (continued)**

The following summarizes the classification and measurement changes for the Group's non-derivative financial assets and financial liabilities as a result of the adoption of IFRS 9 (2014).

	Category under IFRS 9	Category under IAS 39
Financial assets:		
Cash and cash equivalents	Measured at amortized cost	Loans and receivables
Trade and other receivables	Measured at amortized cost	Loans and receivables
Long-term non-trade receivables included in other non-current assets	Measured at amortized cost	Loans and receivables
Investment in equity securities included in other non-current assets	Measured at fair value through OCI	Available for sale
Financial liabilities:		
Bank indebtedness	Measured at amortized cost	Other financial liability
Trade and other payables	Measured at amortized cost	Other financial liability
Long-term debt	Measured at amortized cost	Other financial liability
Non-hedged derivative liabilities	Measured at fair value through profit or loss	Measured at fair value through profit or loss
Forward purchase agreement liability included in other financial liability	Measured at fair value through profit or loss	Other financial liability

The investments in equity securities are categorized as fair value through OCI. As at December 31, 2016, these equity instruments consist of securities of publicly listed companies with readily available quoted market prices. The Company has elected to use this presentation as the investments are held for strategic reasons and are not held-for-trading. As at the date of transition, the fair value of such instruments was an unrealized cumulative loss of \$0.5 million. During the period since adoption of IFRS 9 (2014), the Company disposed of a portion of their investments and a \$0.3 million loss has been reclassified to equity due to the sale of investments.

As at December 31, 2016 and 2015, the Group had derivative financial assets and derivative financial liabilities designated as effective hedging instruments, measured at fair value. The accounting for the financial instruments and the line item in which they are included in the consolidated statement of financial position were unaffected by the adoption of IFRS 9 (2014) upon transition.

u) New standards and interpretations not yet adopted

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

IFRS 15, Revenue from Contracts with Customers: On May 28, 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard is effective for annual periods beginning on or after January 1, 2018. The Group does not intend to early adopt the standard in its consolidated financial statements. IFRS 15 will replace IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*. On April 12, 2016, the IASB issued *Clarifications to IFRS 15, Revenue from Contracts with Customers*, which is effective at the same time as IFRS 15. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and application of the Standard to licenses of intellectual property. The Group intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

3. Significant accounting policies (continued)

u) New standards and interpretations not yet adopted (continued)

IFRS 16, Leases: On January 13, 2016, the IASB issued *IFRS 16 Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply *IFRS 15 Revenue from Contracts with Customers* at or before the date of initial adoption of *IFRS 16*. *IFRS 16* will replace *IAS 17 Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of *IAS 17*, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Group intends to adopt *IFRS 16* in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

Disclosure Initiative: Amendments to IAS 7: On January 7, 2016, the IASB issued *Disclosure Initiative* (Amendments to *IAS 7*). The amendments apply prospectively for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. The Group intends to adopt the amendments to *IAS 7* in its financial statements for the annual period beginning on January 1, 2017. The Group does not expect the amendments to have a material impact on the financial statements.

Recognition of Deferred Tax Assets for Unrealized Losses: Amendments to IAS 12: On January 19, 2016, the IASB issued *Recognition of Deferred Tax Assets for Unrealized Losses* (Amendments to *IAS 12*). The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The Group intends to adopt the amendments to *IAS 12* in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2: On June 20, 2016, the IASB issued amendments to *IFRS 2 Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. The Group does not intend to early adopt the standard in its consolidated financial statements. The amendments provide requirements on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The Group intends to adopt the amendments to *IFRS 2* in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

Annual Improvements to IFRS Standards (2014-2016 cycle): On December 8, 2016, the IASB issued narrow-scope amendments to three standards as part of its annual improvements process. Each of the amendments has its own specific transaction requirements and effective date. Amendments were made to the following standards:

- Clarification that *IFRS 12 Disclosures of Interests in Other Entities* also applies to interests that are classified as held for sale, held for distribution, or discontinued operations, effective retrospectively for annual periods beginning on or after January 1, 2017;

3. Significant accounting policies (continued)**u) New standards and interpretations not yet adopted (continued)**

- Removal of outdated exemptions for first time adopters under IFRS 1 *First-time Adoption of International Financial Reporting Standards*, effective for annual periods beginning on or after January 1, 2018;
- Clarification that the election to measure an associate or joint venture at fair value under IAS 28 *Investments in Associates and Joint Ventures* for investments held directly, or indirectly, through a venture capital or other qualifying entity can be made on an investment-by-investment basis. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2018.

The Group intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

IFRIC 22, Foreign Currency Transactions and Advance Consideration: On December 8, 2016, the IASB issued IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation is applicable for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The Interpretation may be applied either:

- retrospectively; or
- prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after:
 - the beginning of the reporting period in which the entity first applies the Interpretation; or
 - the beginning of a prior reporting period presented as comparative information in the financial statements.

The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the Interpretation has not yet been determined.

4. Segment reporting

The Group operates within the transportation and logistics industry in the United States, Canada and Mexico in different reportable segments, as described below. The reportable segments are managed independently as they require different technology and capital resources. For each of the operating segments, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Package and Courier:	Pickup, transport and delivery of items across North America.
Less-Than-Truckload:	Pickup, consolidation, transport and delivery of smaller loads.
Truckload ^(a) :	Full loads carried directly from the customer to the destination using a closed van or specialized equipment to meet customer's specific needs. Includes expedited transportation, flatbed, container and dedicated services.
Logistics:	Logistics services.

(a) The truckload segment represents the aggregation of the truckload and specialized truckload operating segments. These operating segments have similar cost structures and are evaluated using the same key performance indicators.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment income or loss before net finance income or costs and income tax ("operating income or loss"), as finance income or costs and income tax are not allocated to reportable segments. This measure is included in the internal management reports that are reviewed by the Group's CEO and refers to "Operating income" in the consolidated statements of income. Segment's operating income or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Package and Courier	Less- Than- Truckload	Truckload	Logistics	Corporate	Eliminations	Total
2016							
External revenue	1,392,715	792,037	1,607,600	232,856	—	—	4,025,208
Inter-segment revenue	7,016	16,745	24,790	8,286	—	(56,837)	—
Total revenue	1,399,731	808,782	1,632,390	241,142	—	(56,837)	4,025,208
Depreciation and amortization	34,547	28,742	123,822	3,877	2,098	—	193,086
Operating income (loss)	116,780	48,280	105,699	23,389	(35,935)	—	258,213
Intangible assets	459,596	219,465	1,177,794	130,994	1,799	—	1,989,648
Total assets	711,670	619,772	2,489,096	175,190	75,233	—	4,070,961
Total liabilities	157,426	145,077	562,604	19,350	1,725,480	—	2,609,937
Additions to property and equipment	12,196	16,282	79,662	430	1,990	—	110,560
2015							
External revenue	1,341,082	864,799	1,579,173	244,835	—	—	4,029,889
Inter-segment revenue	6,741	18,109	35,018	9,401	—	(69,269)	—
Total revenue	1,347,823	882,908	1,614,191	254,236	—	(69,269)	4,029,889
Depreciation and amortization	33,844	31,468	105,456	3,521	1,937	—	176,226
Operating income (loss)	90,195	45,756	134,080	27,872	(21,442)	—	276,461
Intangible assets	468,810	219,381	777,541	94,420	2,348	—	1,562,500
Total assets	728,797	658,035	1,576,663	132,330	30,922	—	3,126,747
Total liabilities	168,979	154,955	309,358	23,165	1,693,030	—	2,349,487
Additions to property and equipment	17,667	21,667	113,539	2,063	2,866	—	157,802

4. Segment reporting (continued)***Geographical information***

Revenue is attributed to geographical locations based on the origin of service's location. Segment assets are based on the geographical location of the assets.

	2016	2015
Revenue		
Canada	2,434,762	2,531,718
United States	1,586,766	1,498,171
Mexico	3,680	—
	4,025,208	4,029,889

	2016	2015
Property and equipment and intangible assets		
Canada	1,771,198	1,755,198
United States	1,590,075	789,163
Mexico	23,446	—
	3,384,719	2,544,361

5. Business combinations**a) Business combinations**

In line with the Group's growth strategy, the Group acquired ten businesses during 2016 of which four are considered significant.

On October 27, 2016, the Group completed the acquisition of the North American truckload operation of XPO Logistics for a total cash consideration of \$747.4 million, of which, \$500.0 million has been financed through a new term loan. The acquisition represents an important expansion of the Group's TL and Logistics services across North America. With an operating history of over 60 years, the acquired business is a top 20 carrier headquartered in Joplin, Missouri. The business provides an integrated offering of point-to-point dry-van TL transportation services across the United States, and is one of the largest service providers of cross-border trucking into Mexico. This acquisition, which operates under the name of CFI, significantly strengthens the Group's presence in the North American truckload landscape with prominent market positions in domestic US and cross-border Mexico freight.

On November 1, 2016, the Group completed the acquisition of Hyphen Transportation Management Inc. ("Hyphen") for a purchase price of \$10.9 million to further grow its asset light Logistics. Hyphen provides brokerage services in flatbed, dry van, refrigerated, and intermodal.

On December 1, 2016, the Group completed the acquisition of Muskoka Delivery Services Inc. and Muskoka Delivery Barrie Inc ("Muskoka"). Muskoka services, as a niche player, primarily the Package and Courier industry as an interline carrier in Northern Ontario. The purchase price for this business acquisition totalled \$13.6 million of which \$11.2 million has been paid in cash and the remaining consist of a contingent consideration of \$2.4 million payable upon the achievement of certain operating targets.

On December 28, 2016, the Group completed the acquisition of the assets of Brampton, Ontario based National Fast Freight ("NFF") for a total cash consideration of \$12.1 million. Founded in 1992, NFF is a non-asset Canadian-based transportation company providing LTL intermodal services across Canada.

The other 2016 acquisitions did not have a material effect on the Group's financial position and results of operations.

During 2016, transaction costs of \$3.7 million (2015 – nil) have been expensed in relation to the above mentioned business acquisitions, \$3.2 million of which has been recorded in personnel expenses and \$0.5 million in other operating expenses in the consolidated statements of income.

5. Business combinations (continued)

a) Business combinations (continued)

The following table provides the revenue and net income contributions of the above 2016 significant business combinations from their respective date of acquisition and as if these acquisitions had occurred on January 1, 2016, per management's best estimates. In determining these estimated amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2016.

2016 business combinations contributions		From acquisition date		Estimated - if acquired on January 1, 2016	
Business (acquisition date)		Revenue	Net income	Revenue	Net income
CFI (October 27)		119,880	1,844	702,000	12,800
Hyphen (November 1)		1,949	162	12,000	1,000
Muskoka (December 1)		2,680	59	30,000	700
NFF (December 28)		438	—	80,000	(2,000)

As of the reporting date, the Group had not completed the purchase price allocation over the identifiable net assets and goodwill of these business combinations. Information to confirm fair value of certain assets and liabilities is still to be obtained for these acquisitions. As the Group obtains more information, the allocation will be completed. The table below presents the purchase price allocation based on the best information available to the Group to date.

Identifiable assets acquired and liabilities assumed								
	Note	CFI	Hyphen	Muskoka	NFF	Others	2016	2015
Cash and cash equivalents		13,949	—	287	—	1,558	15,794	527
Trade and other receivables		82,997	1,229	4,223	10,800	1,084	100,333	5,590
Inventoried supplies and prepaid expenses		12,104	1	80	493	303	12,981	424
Property and equipment	9	460,779	—	709	2,131	23,095	486,714	3,742
Intangible assets	10	129,860	5,180	4,442	3,268	6,125	148,875	18,554
Other assets		—	—	—	—	—	—	2
Bank indebtedness		—	(121)	—	—	—	(121)	—
Trade and other payables		(57,607)	(2,273)	(2,276)	(12,120)	(823)	(75,099)	(3,993)
Income tax payable		—	(284)	(143)	1	(42)	(468)	(1,187)
Provisions		(16,251)	—	—	—	—	(16,251)	—
Long-term debt		—	—	(403)	—	(4,700)	(5,103)	(194)
Deferred tax liabilities		(194,680)	(1,373)	(1,175)	—	(1,358)	(198,586)	(477)
Total identifiable net assets		431,151	2,359	5,744	4,573	25,242	469,069	22,988
Total consideration transferred		747,449	10,852	13,568	12,055	32,469	816,393	48,133
Goodwill	10	316,298	8,493	7,824	7,482	7,227	347,324	25,145
Cash, net of bank indebtedness		747,449	10,852	11,151	12,055	32,469	813,976	45,291
Contingent consideration		—	—	2,417	—	—	2,417	—
Forward purchase agreement liability		—	—	—	—	—	—	2,842
Total consideration transferred		747,449	10,852	13,568	12,055	32,469	816,393	48,133

The trade receivables comprise of gross amounts due of \$96.8 million, of which \$1.3 million was expected to be uncollectible at the acquisition date.

Of the goodwill and intangible assets acquired through business combinations in 2016, \$21.8 million is deductible for tax purposes (2015 - \$27.7 million).

5. Business combinations (continued)**a) Business combinations (continued)**

During 2015, the Group acquired four businesses.

On May 4, 2015, the Group acquired Hazen Final Mile ("Hazen") for an aggregate consideration of \$26.4 million which was paid in cash. Hazen, a main provider in final mile transportation services, offers various dedicated delivery services in various industries such as retail, office supplies and more.

On July 9, 2015, the Group completed the acquisition of All Canadian Courier ("ACC") for an aggregate amount of \$9.5 million to further grow its Parcel and Courier segment. Established in 1989, ACC has earned a reputation for offering unique solutions to their customers' specific challenges with unparalleled service and advanced shipping, tracking and reporting technology systems.

On October 1, 2015, the Group acquired Vanroboys Trucking LTD ("Vanroboys") for cash consideration of \$3.1 million. Vanroboys is engaged in the business of waste and other bulk materials hauling in the province of Ontario and in Michigan.

On December 1, 2015, the Group completed the purchase of 75% of Optimal Freight ("Optimal") for an aggregate amount of \$6.3 million in cash. Optimal operates in the logistics segment and is located in the United States. As part of the acquisition, the Group entered into a forward purchase agreement with the non-controlling interest holder for the purchase of its 25% stake in Optimal for a variable price based on earnings levels in the future periods. The forward purchase agreement can be exercised anytime during 2018 to 2020.

b) Goodwill

The goodwill is attributable mainly to the premium of an established business operation with a good reputation in the transportation industry, and the synergies expected to be achieved from integrating the acquired entity into the Group's existing business.

The goodwill arising in the above business combinations has been allocated to operating segments as indicated in the table below, which represents the lowest level at which goodwill is monitored internally.

Operating segment	Reportable segment	2016	2015
Package and Courier	Package and Courier	7,823	18,727
Less-Than-Truckload	Less-Than-Truckload	7,481	—
Truckload	Truckload	295,329	—
Specialized Truckload	Truckload	7,230	—
Logistics	Logistics	29,461	6,418
		347,324	25,145

c) Adjustment to the provisional amounts of prior period business combinations

The 2015 annual consolidated financial statements included details of the Group's business combinations and set out provisional fair values relating to the consideration and net assets acquired of ACC, Hazen and Optimal. These acquisitions were accounted for under the provisions of IFRS 3.

As required by IFRS 3, the provisional fair values have been reassessed in light of information obtained during the measurement period following the acquisition. No adjustment was required to the provisions for prior period business combinations.

6. Discontinued operations

a) Discontinued operations

On September 30, 2015, the Company decided to cease operations in the rig moving operating segment and accordingly has classified all the property and equipment as assets held for sale.

On October 29, 2015, the Company commenced the process of selling the Waste Management segment ("Waste") to GFL Environmental Inc. ("GFL") for total consideration of \$800 million, which includes an unsecured promissory note of \$25 million yielding 3% interest with a term of 4 years. The Waste operations were transferred to GFL on February 1, 2016.

The following table presents the net income (loss) from discontinued operations:

	2016			2015		
	Rig moving	Waste	Total	Rig moving	Waste	Total
Revenue	304	14,340	14,644	44,098	210,331	254,429
Expenses	1,898	15,630	17,528	77,346	159,017	236,363
	(1,594)	(1,290)	(2,884)	(33,248)	51,314	18,066
Loss on assets held for sale	(8,920)	—	(8,920)	(444)	—	(444)
Gain on the sale of Waste ⁽¹⁾	—	559,246	559,246	—	—	—
(Loss) income before income tax	(10,514)	557,956	547,442	(33,692)	51,314	17,622
Income tax (recovery) expense	(3,656)	68,578	64,922	(13,793)	13,710	(83)
Net income (loss) from discontinued operations ⁽²⁾	(6,858)	489,378	482,520	(19,899)	37,604	17,705
Earnings per share from discontinued operations						
Basic (loss) earnings per share	(0.07)	5.22	5.15	(0.20)	0.38	0.18
Diluted (loss) earnings per share	(0.07)	5.12	5.05	(0.20)	0.37	0.17
Additional information:						
Depreciation of property and equipment	—	2,256	2,256	14,705	23,351	38,056

⁽¹⁾ See note b

⁽²⁾ The net income (loss) from discontinued operations is fully attributable to the owners of the Company.

During 2016, an impairment of \$5.0 million was recognized on assets belonging to the rig moving segment (2015 – \$6.2 million).

The assets and liabilities of the discontinued operations were as follows:

	Rig moving	Waste	2016	2015 (*)
Current assets	326	—	326	67,082
Non-current assets	—	—	—	266,443
Current liabilities	(2,700)	—	(2,700)	(34,625)
Non-current liabilities	—	—	—	(56,361)

(*) The assets and liabilities of discontinued operations have been mainly classified as assets held for sale or disposal group held for sale in 2015.

6. Discontinued operations (continued)**b) Sale of the Waste Management segment**

On February 1, 2016, the Company completed the sale of Waste to GFL, headquartered in Toronto, Ontario, for a sale price of \$800 million. At closing, GFL paid \$758.9 million to the Company net of closing adjustments, and issued an unsecured promissory note to the Company in an amount of \$25 million, payable in four years and bearing interest at an annual rate of 3%. The table below presents the reconciliation of the gain on the sale of the Waste Management.

	Note	2016
Sale price		800,000
Closing adjustment to sale price	i	(16,126)
Net sale price		783,874
Trade and other receivables		34,014
Inventoried supplies and prepaid expenses		4,364
Property and equipment		140,089
Intangible assets		93,408
Goodwill		22,369
Other assets		9,576
Bank indebtedness		(6,018)
Trade and other payables		(16,576)
Income taxes payable		(3,956)
Provisions		(26,544)
Long-term debt		(7,235)
Deferred tax liabilities		(26,398)
Total identifiable net assets		217,093
Fair value adjustment to the promissory note	ii	(7,535)
Gain on sale of Waste		559,246
Income tax on gain on disposal	iii	(68,475)
Gain on sale of Waste, net of tax		490,771
Net sale price is paid as follow:		
Cash consideration received		758,874
Promissory note issued	ii	25,000
		783,874

- i) Closing adjustments to the sale price includes an assumed lease amount of \$0.7 million, closure and post-closure costs of \$9.1 million, working capital adjustment of \$2.4 million and income taxes payable of \$4.0 million.
- ii) The fair value adjustment to the promissory note has been calculated with a discount rate of 12% over 4 years based on the specific risk of the business.
- iii) The gain of \$559.2 million on the sale of Waste generated an income tax expense \$68.5 million which represents an effective tax rate of 12.2% largely explained by the capital nature of the transaction.

7. Trade and other receivables

	2016	2015
Trade receivables	552,057	484,556
Other receivables	17,124	23,316
	569,181	507,872

The Group's exposure to credit and currency risks related to trade and other receivables is disclosed in note 24.

8. Additional cash flow information

Net change in non-cash operating working capital

	2016	2015
Trade and other receivables	40,095	65,008
Inventories	836	122
Prepaid expenses	1,598	(2,128)
Trade and other payables	(27,870)	(7,951)
	14,659	55,051

9. Property and equipment

	Land and buildings	Rolling stock	Equipment	Total
Cost				
Balance at December 31, 2014	526,932	1,023,434	226,695	1,777,061
Additions through business combinations	85	3,166	493	3,744
Other additions	7,874	153,872	21,763	183,509
Disposals	(21,584)	(154,586)	(10,513)	(186,683)
Reclassification to assets held for sale	(28,882)	(80,890)	—	(109,772)
Reclassification to disposal group held for sale	(65,024)	(85,515)	(92,307)	(242,846)
Effect of movements in exchange rates	5,192	49,181	3,351	57,724
Balance at December 31, 2015	424,593	908,662	149,482	1,482,737
Additions through business combinations	69,284	415,762	1,668	486,714
Other additions	9,409	92,152	8,999	110,560
Disposals	(16,434)	(114,207)	(6,673)	(137,314)
Reclassification from (to) assets held for sale	4,644	(3,277)	—	1,367
Effect of movements in exchange rates	(556)	(6,073)	(334)	(6,963)
Balance at December 31, 2016	490,940	1,293,019	153,142	1,937,101
Depreciation				
Balance at December 31, 2014	75,401	399,804	116,789	591,994
Depreciation for the year	13,182	123,623	30,347	167,152
Disposals	(6,865)	(102,608)	(8,652)	(118,125)
Reclassification to assets held for sale	(4,328)	(43,260)	—	(47,588)
Reclassification to disposal group held for sale	(10,780)	(42,327)	(48,890)	(101,997)
Effect of movements in exchange rates	1,010	6,475	1,955	9,440
Balance at December 31, 2015	67,620	341,707	91,549	500,876
Depreciation for the year	11,505	112,441	15,493	139,439
Disposals	(3,991)	(86,736)	(7,211)	(97,938)
Reclassification from (to) assets held for sale	2,067	(1,388)	—	679
Effect of movements in exchange rates	(244)	(689)	(93)	(1,026)
Balance at December 31, 2016	76,957	365,335	99,738	542,030
Net carrying amounts				
At December 31, 2015	356,973	566,955	57,933	981,861
At December 31, 2016	413,983	927,684	53,404	1,395,071

9. Property and equipment (continued)**Leased assets**

The Group leases items of rolling stock and equipment under a number of finance lease agreements. For the majority of these leases, the Group is responsible for the residual value on termination date. The leased assets secure lease obligations (see note 13). At December 31, 2016, the net carrying amount of leased assets was \$36.1 million (2015 - \$50.8 million). During the year ended December 31, 2016, the Group acquired leased assets in the amount of \$0.1 million (2015 - \$1.9 million) under finance lease agreements and all other new leased assets come from business acquisitions.

Security

At December 31, 2016, certain rolling stock are pledged as security for conditional sales contracts, with a carrying amount of \$104.1 million (2015 - \$83.3 million) (see note 13).

10. Intangible assets

Other intangible assets						
Net carrying amounts	Goodwill	Customer relationships	Trademarks	Non-complete agreements and permits	Information technology	Total
Balance at December 31, 2014	1,093,499	336,486	59,130	96,559	12,021	1,597,695
Additions through business combinations	17,593	22,365	1,641	1,804	144	43,547
Other additions	—	1,214	—	—	1,343	2,557
Amortization	—	(36,535)	(6,095)	(4,300)	(4,730)	(51,660)
Reclass to disposal group held for sale	(22,369)	(1,353)	—	(92,439)	(45)	(116,206)
Effect of movements in exchange rates	58,588	22,591	4,539	163	686	86,567
Balance at December 31, 2015	1,147,311	344,768	59,215	1,787	9,419	1,562,500
Additions through business combinations	347,324	136,694	10,506	785	890	496,199
Other additions	—	—	—	—	1,835	1,835
Amortization	—	(42,606)	(5,919)	(490)	(4,632)	(53,647)
Effect of movements in exchange rates	(11,979)	(4,278)	(849)	(30)	(103)	(17,239)
Balance at December 31, 2016	1,482,656	434,578	62,953	2,052	7,409	1,989,648

As at December 31, 2016, the cost of other intangible assets is \$684.5 million (2015 - \$551.1 million) and the accumulated amortization is \$177.5 million (2015 - \$135.9 million). In 2015, an amount of \$4.5 million of amortization is related to the waste management segment.

Goodwill impairment test

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Reportable segment / operating segment	2016	2015
Package and Courier	375,648	372,561
Less-Than-Truckload	143,285	135,805
Truckload		
Truckload	514,695	223,376
Specialized Truckload ⁽¹⁾	348,027	342,001
Logistics ⁽¹⁾	101,001	73,568
	1,482,656	1,147,311

⁽¹⁾ Prior period goodwill has been reclassified from specialized truckload to logistics.

10. Intangible assets (continued)

The Group performed its goodwill impairment tests as at December 31, 2016 and 2015. The results determined that the recoverable amounts of the Group's operating segments exceeded their respective carrying amounts.

The recoverable amounts of the Group's operating segments were determined using the value in use. The value in use methodology is based on discounted future cash flows. Management believes that the discounted future cash flows method is valuable as it allows more precise valuation of specific future cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates as follows:

Reportable segment / operating segment	2016	2015
Package and Courier	9.4%	9.0%
Less-Than-Truckload	10.0%	7.2%
Truckload		
Truckload	11.2%	10.3%
Specialized Truckload	11.8%	9.9%
Logistics	10.6%	9.9%

The discount rates were estimated based on past experience, and industry average weighted average cost of capital, which were based on a possible range of debt leveraging of 40.0% (2015 – 50.0%) at a market interest rate of 6.7% (2015 – 6.6%).

First year cash flows were projected based on past experience actual operating results and reflect current economic conditions. For a further 4-year period, cash flows were extrapolated using an average growth rate of 2.0% (2015 – 2.0%) in revenues and margins were adjusted where deemed appropriate for each operating segment. The terminal value growth rate was 2.0% (2015 – 2.0%) for each operating segment. The values assigned to the key assumptions represent management's assessment of future trends in the transportation industry and was based on both external and internal sources (historical data).

11. Other assets

	Note	2016	2015
Promissory note	6	18,962	—
Investments in equity securities		15,884	—
Restricted cash		4,294	4,300
Security deposits		3,645	3,820
Other		24	23
		42,809	8,143

Restricted cash consists of cash held as potential claims collateral pursuant to re-insurance agreements under the Group's insurance program.

12. Trade and other payables

	2016	2015
Trade payables and accrued expenses	296,292	304,710
Personnel accrued expenses	141,484	94,707
Provisions	21,370	22,044
Dividend payable	17,399	16,598
	476,545	438,059

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 24.

13. Long-term debt

This note provides information about the contractual terms of the Group's interest-bearing long-term debt, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign exchange currency and liquidity, see note 24.

	2016	2015
Non-current liabilities		
Revolving facility	767,034	801,152
Term loans	571,663	—
Unsecured debentures	124,552	124,334
Conditional sales contracts	42,758	34,985
Finance lease liabilities	12,401	23,111
Other long-term debt	25,909	26,729
	1,544,317	1,010,311
Current liabilities		
Current portion of conditional sales contracts	29,807	24,543
Current portion of finance lease liabilities	9,869	15,327
Current portion of other long-term debt	822	5,784
Current portion of term loans	—	559,135
	40,498	604,789

Terms and conditions of outstanding long-term debt are as follows:

					2016		2015	
		Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Revolving facility	a	C\$	BA + 2.15%	2020	302,900	301,170	75,719	75,519
Revolving facility	a	US\$	Libor + 2.15%	2020	348,953	465,864	525,461	725,633
Term loan	a	C\$	BA + 2.15%	2018-2019	500,000	496,933	—	—
Unsecured debentures	b	C\$	3.00 - 3.45%	2020	125,000	124,552	125,000	124,334
Term loan	c	C\$	3.95%	2019	75,000	74,730	—	—
Term loan	a	C\$	BA + 2.15%	2016	—	—	300,000	299,220
Term loan	a	US\$	Libor + 2.15%	2016	—	—	187,800	259,915
Conditional sales contracts	d	Mainly C\$	2.00% - 4.65%	2017-2020	72,565	72,565	59,528	59,528
Finance lease liabilities	e	Mainly C\$	2.35% - 5.42%	2017-2020	22,270	22,270	38,438	38,438
Other long-term debt		C\$	4.30% - 4.75%	2018	26,731	26,731	32,513	32,513
					1,584,815		1,615,100	

a) Credit facility

On June 22, 2016, the Group amended and extended its existing revolving facility to June 2020. The facility is unsecured and can be extended annually. The total available amount under the revolving facility was increased by \$155 million to \$1,200 million. The agreement still provides, under certain conditions, an additional \$250 million of credit availability (C\$245 million and US\$5 million). Based on certain ratios, the interest rate will vary between banker's acceptance rate (or Libor rate on US\$ denominated debt) plus applicable margin, which can vary between 125 basis points and 275 basis points. As of December 31, 2016, the credit facility's interest rate on CAD denominated debt was 3.0% and on US\$ denominated debt was 2.7%. The Group is subject to certain covenants regarding the maintenance of financial ratios and was in compliance with these covenants at year-end (see note 24 (f)).

13. Long-term debt (continued)

a) Credit facility (continued)

On October 24, 2016, the Group entered into a term loan within the confines of the credit facility for the specific purpose of acquiring the North American truckload operations of XPO Logistics. This term loan was for a total of \$500 million, with \$200 million due in October 2018 and \$300 million due in 2019. Early repayment, in part or whole is permitted, and will permanently reduce the amount borrowed. The terms and conditions of the facility are the same as the credit facility and is subject to the same covenants.

As at February 11, 2016, the entire term loan outstanding at December 31, 2015 has been repaid with the proceeds received from the sale of the Waste Management segment.

b) Unsecured debentures

On December 18, 2015, the terms of the loan agreement were amended to an unsecured debenture carrying an interest rate between 3% and 3.45% depending on certain ratios and with a December 2020 maturity date. Prior to the amendment the interest rate was 6.85% and matured in November 2017. The debentures may be repaid, without penalty, after December 18, 2019, subject to the approval of the Group's syndicate of bank lenders.

c) Term loan

On August 18, 2016, the Group entered into a new loan agreement for \$75 million. This loan takes the form of a term loan carrying an interest rate of 3.95% and with an August 2019 maturity date. This second ranking term loan may be repaid prior to the maturity subject to the approval of the Group's syndicate of bank lenders. Repayment prior to August 18, 2018 would result in an early repayment penalty. No penalty would apply after this date.

d) Conditional sales contracts

Conditional sales contracts are secured by rolling stock having a carrying value of \$104.1 million (2015 - \$83.3 million) (see note 9).

e) Finance lease liabilities

Finance lease liabilities are secured by rolling stock having a carrying value of \$36.1 million (2015 - \$50.8 million) (see note 9). Finance lease liabilities are payable as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Future minimum lease payments	10,584	12,862	—	23,446
Interest	(715)	(461)	—	(1,176)
Present value of minimum lease payments	9,869	12,401	—	22,270

f) Principal instalments of other long-term debt payable during the subsequent years are as follows:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Revolving facility	—	770,354	—	770,354
Term loans	—	575,000	—	575,000
Unsecured debentures	—	125,000	—	125,000
Conditional sales contracts	29,807	42,758	—	72,565
Other long-term debt	822	25,909	—	26,731
	30,629	1,539,021	—	1,569,650

14. Employee Benefits

The Group sponsors defined benefit pension plans for 289 of its employees (2015 – 314).

These plans are all within Canada and includes one unregistered plan. All the defined benefit plans are no longer offered to employees and two defined benefits plan in the past have already been converted prospectively to defined contribution plans. Therefore, the future obligation will only vary by actuarial re-measurements.

With the exception of one plan, all other plans do not have recurring contributions for employees. These plans are still required to fund past service costs. The remaining plan is fully funded by the Group.

The Group measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2015 and the next required valuation will be as of December 31, 2016.

Information about the Group's defined benefit pension plans is as follows:

	2016	2015
Accrued benefit obligation	45,942	46,908
Fair value of plan assets	(31,660)	(33,147)
Plan deficit - employee benefit liability	14,282	13,761

Plan assets comprise:

	2016	2015
Equity securities	32%	32%
Debt securities	60%	60%
Other	8%	8%

All equity and debt securities have quoted prices in active markets. Debt securities are held through mutual funds and primarily hold investments with ratings of AAA or AA, based on Moody's ratings.

The other asset categories are real estate investment trusts.

Movement in the present value of the accrued benefit obligation for defined benefit plans:

	2016	2015
Accrued benefit obligation, beginning of year	46,908	46,620
Current service cost	541	481
Interest cost	1,744	1,775
Employee contributions	—	8
Benefits paid	(3,772)	(2,714)
Remeasurement loss (gain) arising from:		
– Financial assumptions	132	(13)
– Experience	389	751
Accrued benefit obligation, end of year	45,942	46,908

14. Employee Benefits (continued)

Movement in the fair value of plan assets for defined benefit plans:

	2016	2015
Fair value of plan assets, beginning of year	33,147	32,973
Interest income	1,206	1,262
Employer contributions	138	1,503
Employee contributions	—	8
Benefits paid	(3,772)	(2,714)
Remeasurement gain arising from financial assumptions	1,077	278
Plan administration expenses	(136)	(163)
Fair value of plan assets, end of year	31,660	33,147

Expense recognized in income or loss:

	2016	2015
Current service cost	541	481
Net interest cost	538	513
Plan administration expenses	136	163
Pension expense	1,215	1,157
Actual return on plan assets	2,283	1,540

Actuarial losses (gains) recognized in other comprehensive income:

	2016	2015
Amount accumulated in retained earnings, beginning of year	11,248	10,788
Recognized during the year	(556)	460
Amount accumulated in retained earnings, end of year	10,692	11,248
Recognized during the year, net of tax	(407)	338

The significant actuarial assumptions used (expressed as weighted average):

	2016	2015
Accrued benefit obligation:		
Discount rate at December 31	3.9%	3.9%
Future salary increases	2.9%	2.9%
Employee benefit expense:		
Discount rate at January 1	3.9%	3.9%
Rate of return on plan assets at January 1	3.9%	3.9%
Future salary increases	2.9%	2.9%

14. Employee Benefits (continued)

Assumptions regarding future mortality are based on published statistics and mortality tables. The current longevities underlying the value of the liabilities in the defined benefit plans are as follows:

	2016	2015
Longevity at age 65 for current pensioners		
Males	21.6	21.6
Females	24.1	24.0
Longevity at age 65 for current members aged 45		
Males	22.7	22.7
Females	25.0	25.0

At December 31, 2016, the weighted-average duration of the defined benefit obligation was 12.8 years.

The following table presents the impact of changes of major assumptions on the defined benefit obligation for the years ended December 31:

	2016		2015	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,169)	6,304	(5,207)	6,363
Life expectancy (1-year movement)	1,065	(1,097)	972	(973)

Historical information:

	2016	2015	2014	2013	2012
Present value of the accrued benefit obligation	45,942	46,908	46,620	41,441	41,847
Fair value of plan assets	(31,660)	(33,147)	(32,973)	(28,888)	(25,087)
Deficit in the plan	14,282	13,761	13,647	12,553	16,760
Experience adjustments arising on plan obligations	521	738	5,201	(1,161)	3,460
Experience adjustments arising on plan assets	1,077	278	2,492	2,736	273

The Group expects approximately \$1.0 million in contributions to be paid to its defined benefit plans in 2017.

15. Provisions

	Self insurance	Other	Total
Balance at January 1, 2016	22,044	10,758	32,802
Additions through business combinations	26,499	352	26,851
Provisions made during the year	37,765	3,168	40,933
Provisions used during the year	(27,796)	(1,895)	(29,691)
Provisions reversed during the year	(5,088)	(31)	(5,119)
Balance at December 31, 2016	53,424	12,352	65,776
2016			
Current provisions (*)	21,370	—	21,370
Non-current provisions	32,054	12,352	44,406
2015			
Current provisions (*)	22,044	—	22,044
Non-current provisions	—	10,758	10,758

(*) The current provisions are presented in trade and other payables.

16. Deferred tax assets and liabilities

	2016	2015
Partnership investments	—	(9,953)
Property and equipment	(292,655)	(140,986)
Intangible assets	(155,801)	(117,351)
Derivative financial instruments and investment in equity securities	1,248	(534)
Long-term debt	5,903	10,553
Employee benefits	7,102	5,305
Provisions	19,163	10,671
Tax losses	550	14,284
Other	(442)	148
Net deferred tax liabilities	(414,932)	(227,863)
Presented as:		
Deferred tax assets	8,410	6,960
Deferred tax liabilities	(423,342)	(234,823)

16. Deferred tax assets and liabilities (continued)

Movement in temporary differences during the year:

	Balance December 31, 2014	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	Balance December 31, 2015
Partnership investments	(17,747)	7,794	—	—	—	—	(9,953)
Property and equipment	(154,972)	2,887	15,323	(9,944)	36	5,684	(140,986)
Intangible assets	(139,354)	6,227	1,071	(9,016)	(814)	24,535	(117,351)
Long-term debt	16,728	(4,165)	(292)	—	—	(1,718)	10,553
Employee benefits	5,342	(159)	—	122	—	—	5,305
Provisions	17,157	(2,234)	884	—	—	(5,136)	10,671
Tax losses	5,305	(3,446)	—	12,425	—	—	14,284
Other	1,596	(1,981)	—	—	—	(1)	(386)
Net deferred tax liabilities	(265,945)	4,924	16,985	(6,413)	(778)	23,364	(227,863)

	Balance December 31, 2015	Recognized in income or loss from continuing operations	Recognized in income or loss from discontinued operations	Recognized directly in equity	Acquired in business combinations	Transfer of deferred taxes to disposal group held for sale	Balance December 31, 2016
Partnership investments	(9,953)	9,953	—	—	—	—	—
Property and equipment	(140,986)	(1,680)	218	2,151	(153,122)	765	(292,654)
Intangible assets	(117,351)	14,222	(1,299)	1,001	(52,750)	375	(155,802)
Long-term debt	10,553	(4,650)	13	—	—	(13)	5,903
Employee benefits	5,305	1,850	—	(53)	—	—	7,102
Provisions	10,671	1,886	(572)	—	7,286	(108)	19,163
Tax losses	14,284	(13,734)	—	—	—	—	550
Other	(386)	4,389	(2,046)	(3,166)	—	2,015	806
Net deferred tax liabilities	(227,863)	12,236	(3,686)	(67)	(198,586)	3,034	(414,932)

Tax losses expire between 2030 and 2036 and the related deferred tax assets have been recognized because it is probable that future taxable income will be available to benefit from these losses.

17. Share capital and other components of equity

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series. Both common and preferred shares are without par value. All issued shares are fully paid.

The common shares entitle the holders thereof to one vote per share. The holders of the common shares are entitled to receive dividends as declared from time to time. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the common shares are entitled to receive the remaining property of the Company upon its dissolution, liquidation or winding-up.

17. Share capital and other components of equity (continued)

The preferred shares may be issued in one or more series, with such rights and conditions as may be determined by resolution of the Directors who shall determine the designation, rights, privileges, conditions and restrictions to be attached to the preferred shares of such series. There are no voting rights attached to the preferred shares except as prescribed by law. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets of the Company among its shareholders, the holders of the preferred shares of each series are entitled to receive, with priority over the common shares and any other shares ranking junior to the preferred shares of the Company, an amount equal to the redemption price for such shares, plus an amount equal to any dividends declared thereon but unpaid and not more. The preferred shares for each series are also entitled to such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined as to their respective series authorized to be issued. The preferred shares of each series shall be on a parity basis with the preferred shares of every other series with respect to payment of dividends and return of capital. There are no preferred shares currently issued and outstanding.

The following table summarizes the number of common shares issued:

(in number of shares)	Note	2016	2015
Balance, beginning of year		97,632,502	102,323,968
Repurchase and cancellation of own shares - Substantial issuer bid		(2,699,924)	—
Repurchase and cancellation of own shares		(3,742,778)	(4,834,300)
Stock options exercised	19	385,519	130,502
Warrants exercised		—	12,332
Balance, end of year		91,575,319	97,632,502

The following table summarizes the share capital issued and fully paid:

	2016	2015
Balance, beginning of year	764,343	799,100
Repurchase and cancellation of own shares	(50,478)	(37,764)
Cash consideration of stock options exercised	6,517	2,137
Ascribed value credited to share capital on stock options exercised	1,742	630
Issuance of shares on settlement of RSUs	1,266	—
Ascribed value credited to share capital on warrants exercised	—	240
Balance, end of year	723,390	764,343

Pursuant to the renewal of the normal course issuer bid ("NCIB") which began on September 30, 2016 and expiring on September 29, 2017, the Company is authorized to repurchase for cancellation up to a maximum of 6,000,000 of its common shares under certain conditions. As at December 31, 2016, and since the inception of this NCIB, the Company has repurchased and cancelled 40,578 common shares under this NCIB.

During 2016, the Company repurchased 3,742,778 common shares at a price ranging from \$22.00 to \$27.30 per share for a total purchase price of \$91.8 million relating to the NCIB. During 2015, the Company repurchased 4,834,300 common shares at a price ranging from \$21.93 to \$27.92 per share for a total purchase price of \$121.8 million relating to a previous NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$62.4 million (2015 – \$84.0 million) was charged to retained earnings as share repurchase premium.

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

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

17. Share capital and other components of equity (continued)

The offer expired on March 28, 2016. The Company purchased and cancelled 2,699,924 common shares at a price of \$22.00 per share, for a total purchase price of \$59.4 million relating to this SIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$38.3 million was charged to retained earnings as share repurchase premium.

During 2015, 40,000 warrants with the exercise price of \$20.17 were exercised under the cashless exercise provision resulting in the issuance of 12,332 common shares of the Company. The cashless exercise provision of the warrants allows the holder to receive a number of common shares equivalent in value to the difference of the market price of the common shares underlying the number of warrants exercised and the exercise price, in lieu of cash or other consideration. The share price at the date of exercise was \$29.16. As at December 31, 2016, there were no outstanding warrants.

Contributed surplus

The contributed surplus account is used to record amounts arising on the issue of equity-settled share-based payment awards (see note 19) and the value of the warrants issued.

Accumulated other comprehensive income ("AOCI")

At December 31, 2016 and 2015, AOCI is comprised of accumulated foreign currency translation differences arising from the translation of the financial statements of foreign operations, changes in fair value of available for sale financial assets (prior to the adoption of IFRS 9), financial assets measured at fair value through OCI, gain or loss on net investment hedge, realized gains on investments, cash flow hedges and defined benefit plan remeasurement gain or loss.

Dividends

In 2016, the Company declared dividends amounting to 70.0 cents per common share (2015 – 68.0 cents) for a total of \$64.9 million (2015 - \$67.8 million). After December 31, 2016 no dividends were declared by the Board of Directors.

18. Earnings per share

Basic earnings per share

The basic earnings per share and the weighted average number of common shares outstanding have been calculated as follows:

(in thousands of dollars and number of shares)	2016	2015
Net income attributable to owners of the Company	639,579	163,437
Net income from continuing operations	157,059	145,732
Issued common shares, beginning of year	97,632,502	102,323,968
Effect of stock options and warrants exercised	94,049	100,982
Effect of repurchase of own shares	(4,017,885)	(2,218,888)
Weighted average number of common shares	93,708,666	100,206,062
Earnings per share – basic	6.83	1.63
Earnings per share from continuing operations – basic	1.68	1.45

18. Earnings per share (continued)

Diluted earnings per share

The diluted earnings per share and the weighted average number of common shares outstanding after adjustment for the effects of all dilutive common shares have been calculated as follows:

(in thousands of dollars and number of shares)	2016	2015
Net income attributable to owners of the Company	639,579	163,437
Net income from continuing operations attributable to owners of the Company, adjusted for dilution effect	157,059	145,732
Weighted average number of common shares	93,708,666	100,206,062
Dilutive effect:		
Stock options, restricted share units and warrants	1,811,827	1,787,827
Weighted average number of diluted common shares	95,520,493	101,993,889
Earnings per share - diluted	6.70	1.60
Earnings per share from continuing operations - diluted	1.64	1.43

As at December 31, 2016, 1,909,897 stock options were excluded from the calculation of diluted earnings per share as these options were deemed to be anti-dilutive (2015 – 1,383,814).

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

19. Share-based payment arrangements

Stock option plan

The Company offers a stock option plan for the benefit of certain of its employees. The maximum number of shares which may be issued under this plan may not exceed ten percent (10%) of the number of issued and outstanding shares of the Company from time to time. Each stock option entitles its holder to receive one common share upon exercise. The exercise price payable for each option is determined by the Board of Directors at the date of grant, and may not be less than the closing price of volume weighted average trading price of the Company's shares for the last five trading days immediately preceding the grant date. The options vest in equal instalments over three years and the expense is recognized following the accelerated method as each instalment is fair valued separately. The table below summarizes the changes in the outstanding stock option:

(in thousands of options and in dollars)	2016		2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	4,934	16.67	4,193	14.93
Granted	1,039	24.64	915	24.93
Exercised	(386)	16.90	(131)	16.37
Forfeited	(91)	24.75	(43)	23.21
Balance, end of year	5,496	18.02	4,934	16.67
Options exercisable, end of year	3,764	14.92	3,451	13.48

19. Share-based payment arrangements (continued)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2016:

(in thousands of options and in dollars)		Options outstanding	Options exercisable
Exercise prices	Number of options	Weighted average remaining contractual life (in years)	Number of options
6.32	704	2.6	704
9.46	637	3.6	637
14.28	537	1.6	537
16.46	698	2.6	698
20.18	660	3.6	660
24.64	1,026	6.6	—
24.93	841	5.6	273
25.14	393	4.6	255
	5,496	4.1	3,764

Of the options outstanding at December 31, 2016, a total of 4,667,432 (2015 – 4,020,595) are held by key management personnel.

The weighted average share price at the date of exercise for stock options exercised in 2016 was \$29.99 (2015 – \$28.67).

In 2016, the Group recognized a compensation expense of \$3.1 million (2015 – \$3.1 million) with a corresponding increase to contributed surplus.

On July 21, 2016, the Board of Directors approved the grant of 1,038,657 stock options under the Company's stock option plan of which 721,516 were granted to key management personnel. The options vest in equal instalments over three years and have a life of seven years. The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	July 21, 2016	July 23, 2015
Average expected option life	4.5 years	4.5 years
Risk-free interest rate	0.56%	0.73%
Expected stock price volatility	23.01%	24.85%
Average dividend yield	2.83%	2.68%
Weighted average fair value of options granted	\$3.33	\$3.86

Deferred share unit plan for board members

The Company offers a deferred share unit plan ("DSU") for its board members. Under this plan, board members may elect to receive cash, deferred share units or a combination of both for their compensation. The following table provides the number of units related to this plan:

(in units)	2016	2015
Balance, beginning of year	255,053	217,557
Board members compensation	36,031	37,286
Deferred share units redeemed	(38,108)	(5,436)
Dividends paid in units	7,591	5,646
Balance, end of year	260,567	255,053

19. Share-based payment arrangements (continued)

In 2016, the Group recognized, as a result of deferred share units, a compensation expense of \$1.0 million (2015 - \$1.0 million) with a corresponding increase to trade and other payables. In addition, in other finance costs, the Group recognized a mark-to-market expense on deferred share units of \$3.2 million (2015 - \$1.2 million gain).

As at December 31, 2016, the total carrying amount of liabilities for cash-settled arrangements recorded in trade and other payables amounted to \$9.1 million (2015 - \$6.0 million).

Performance contingent restricted share unit plan

The Company offers an equity incentive plan to the benefits of senior employees of the Group. The plan provides for the issuance of restricted share units ("RSUs") under conditions to be determined by the Board of Directors. The RSUs vest after 2.5 years of consecutive service from the grant date. The vesting period has been changed from 3 years of consecutive service following approval by the Board of Directors on July 21, 2016. The change has been applied to all outstanding RSUs. Upon satisfaction of the required service period, the plan provides for settlement of the award through shares.

On July 21, 2016, the Company granted a total of 142,799 RSUs under the Company equity incentive plan of which 97,509 were granted to key management personnel. The fair value of the RSUs is determined to be the share price fair value at the date of the grant and is recognized as a share-based compensation expense, through contributed surplus, over the vesting period. The fair value of the RSU's granted during the period was \$24.64 per unit. The table below summarizes changes to the outstanding RSUs:

(in thousands of RSUs and in dollars)	2016		2015	
	Number of RSUs	Weighted average exercise price	Number of RSUs	Weighted average exercise price
Balance, beginning of year	224	25.01	83	25.14
Granted	143	24.64	144	24.93
Reinvested	7	24.98	3	25.07
Settled	(86)	25.13	(1)	25.12
Forfeited	(7)	24.95	(5)	25.10
Balance, end of year	281	24.78	224	25.01

The following table summarizes information about RSUs outstanding and exercisable as at December 31, 2016:

(in thousands of RSUs and in dollars)	RSUs outstanding	
	Number of RSUs	Remaining contractual life (in years)
Exercise prices		
24.64	142	2.0
24.93	139	1.0
	281	1.5

In 2016, the Group recognized as a result of RSUs a compensation expense of \$3.0 million (2015 - \$1.3 million) with a corresponding increase to contributed surplus.

The weighted average share price at the date of settlement of RSUs vested in 2016 was \$33.53 (2015 - \$25.51). The excess of the purchase price paid over the carrying value of shares repurchased for settlement of the award, in the amount of \$2.1 million (2015 - nil), was charged to retained earnings as share repurchase premium.

Of the RSUs outstanding at December 31, 2016, a total of 198,832 (2015 - 153,207) are held by key management personnel.

20. Operating expenses

The Group's operating expenses from continuing operations include: a) materials and services expenses, which are primarily costs related to independent contractors and vehicle operation; vehicle operation expenses, which primarily include fuel, repairs and maintenance, insurance, permits and operating supplies; b) personnel expenses; c) other operating expenses, which are primarily composed of costs related to offices' and terminals' rent, taxes, heating, telecommunications, maintenance and security and other general administrative expenses; and d) depreciation, amortization and gain or loss on disposition of property and equipment and assets held for sale.

	2016	2015
Materials and services expenses		
Independent contractors	1,751,707	1,778,393
Vehicle operation expenses	600,887	607,578
	2,352,594	2,385,971
Personnel expenses	998,031	978,458
Other operating expenses	243,713	240,234
Depreciation of property and equipment	139,439	129,096
Amortization of intangible assets	53,647	47,130
Gain on sale of property and equipment	(20,429)	(23,565)
Gain on sale of assets held for sale	—	(3,896)
	3,766,995	3,753,428

21. Personnel expenses

	Note	2016	2015
Short-term employee benefits		970,855	950,615
Contributions to defined contribution plans		12,394	12,337
Current and past service costs related to defined benefit plans	14	541	481
Termination benefits		7,063	9,725
Equity-settled share-based payment transactions	19	6,164	4,356
Cash-settled share-based payment transactions	19	1,014	944
		998,031	978,458

22. Finance income and finance costs

Recognized in income or loss:

	2016	2015
Interest expense on long-term debt	41,201	60,036
Interest income and accretion on promissory note	(2,374)	—
Net foreign exchange loss (gain)	2,110	(1,145)
Net change in fair value of foreign exchange derivatives	(1,392)	7,194
Net change in fair value of interest rate derivatives	6,232	5,694
Other financial expenses	10,171	4,675
Reclassification to income of gain on investment in equity securities	(1,066)	(749)
Net finance costs	54,882	75,705
Presented as:		
Finance income	(4,832)	(1,894)
Finance costs	59,714	77,599

23. Income tax expense

Income tax recognized in income or loss:

	2016	2015
Current tax expense (recovery)		
Current year	63,324	66,434
Adjustment for prior years	(4,816)	(6,486)
	58,508	59,948
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(14,548)	(14,290)
Variation in tax rate	(34)	1,349
Adjustment for prior years	2,346	8,017
	(12,236)	(4,924)
Income tax expense from continuing operations	46,272	55,024

23. Income tax expense (continued)

Income tax recognized in other comprehensive income:

	2016			2015		
	Before tax	Tax (benefit) expense	Net of tax	Before Tax	Tax benefit	Net of tax
Change in fair value of investment in equity securities	(1,217)	(163)	(1,054)	—	—	—
Foreign currency translation differences	(24,788)	—	(24,788)	116,881	—	116,881
Defined benefit plan remeasurement gains (losses)	556	149	407	(460)	(122)	(338)
Employee benefit	(316)	(95)	(221)	—	—	—
Reclassification to income of accumulated unrealized loss on investment in equity securities	(300)	(40)	(260)	—	—	—
Gain (loss) on net investment hedge	25,824	3,451	22,373	(114,180)	(15,192)	(98,988)
Gain on cash flow hedge	12,454	3,329	9,125	—	—	—
	12,213	6,631	5,582	2,241	(15,314)	17,555

Reconciliation of effective tax rate:

	2016		2015	
Income before income tax		203,331		200,756
Income tax using the Company's statutory tax rate	26.9%	54,696	26.9%	54,004
Increase (decrease) resulting from:				
Rate differential between jurisdictions	(3.7%)	(7,588)	(3.1%)	(6,302)
Variation in tax rate	0.0%	(34)	0.7%	1,410
Non deductible expenses	1.9%	3,950	2.2%	4,459
Tax exempt income	(1.2%)	(2,365)	(1.3%)	(2,653)
Adjustment for prior years	(1.2%)	(2,470)	0.8%	1,531
Others	0.0%	83	1.3%	2,575
	22.7%	46,272	27.5%	55,024

24. Financial instruments and financial risk management

Derivative financial instruments' fair values were as follows:

		Measured at fair value through income or loss		Designated as effective cash flow hedge instruments	
	Note	2016	2015	2016	2015
Current assets					
Cross currency interest rate swap contracts	d	—	11,375	—	—
Interest rate derivatives	e	—	—	741	—
		—	11,375	741	—
Non-current assets					
Interest rate derivatives	e	1,287	—	—	—
Current liabilities					
Foreign exchange derivatives	d	—	230	—	—
Embedded foreign exchange derivatives in finance leases	d	1,062	700	—	—
Interest rate derivatives	e	162	2,133	1,152	—
		1,224	3,063	1,152	—
Non-current liabilities					
Embedded foreign exchange derivatives in finance leases	d	496	2,427	—	—
Interest rate derivatives	e	—	7,152	3,211	—
		496	9,579	3,211	—

As at December 31, 2016 and 2015, the impact to income or loss and other comprehensive income is as follows:

	Finance loss (income)		Other comprehensive loss	
	2016	2015	2016	2015
Derivative financial instruments measured at fair value through income or loss:				
Cross currency interest rate swap contracts	11,375	(12,126)	—	—
Interest rate derivatives	6,232	5,694	—	—
Foreign exchange derivatives	177	4,067	—	—
Embedded foreign exchange derivatives in finance leases	(1,569)	3,127	—	—
Derivative financial instruments measured at fair value through other comprehensive income:				
Interest rate derivatives	—	—	(12,454)	—
	16,215	762	(12,454)	—

Risks

In the normal course of its operations and through its financial assets and liabilities, the Group is exposed to the following risks:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives and processes for managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

24. Financial instruments and financial risk management (continued)***Risk management framework***

The Group's management identifies and analyzes the risks faced by the Group, sets appropriate risk limits and controls, and monitors risks and adherence to limits. Risk management is reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility of the Group's risk management framework. The Board of Directors monitors the Group's risks through its audit committee. The audit committee reports regularly to the Board of Directors on its activities.

The Group's audit committee oversees how management monitors and manages the Group's risks and is assisted in its oversight role by the Group's internal audit. Internal audit undertakes both regular and ad hoc reviews of risk, the results of which are reported to the audit committee.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's trade receivables. The Group grants credit to its customers in the ordinary course of business. Management believes that the credit risk of trade receivables is limited due to the following reasons:

- There is a broad base of customers with dispersion across different market segments;
- No single customer accounts for more than 10% of the Group's revenue;
- Approximately 92.9% (2015 – 93.6%) of the Group's trade receivables are not past due or 30 days or less past due;
- Bad debt expense has been approximately 0.1% (2015 – 0.1%) of consolidated revenues for the last 3 years.

Exposure to credit risk

The Group's maximum credit exposure corresponds to the carrying amount of the financial assets. The maximum exposure to credit risk at the reporting date was:

	2016	2015
Trade and other receivables	569,181	507,872
Promissory note	18,962	—
Derivative financial assets	2,028	11,375
	590,171	519,247

Impairment losses

The aging of trade and other receivables at the reporting date was:

	Total	Impairment	Total	Impairment
	2016	2016	2015	2015
Not past due	414,794	—	380,570	—
Past due 1 – 30 days	114,523	643	95,687	1,028
Past due 31 – 60 days	25,328	1,928	15,753	3,083
Past due more than 60 days	20,961	3,854	26,139	6,166
	575,606	6,425	518,149	10,277

24. Financial instruments and financial risk management (continued)

a) Credit risk (continued)

Impairment losses (continued)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2016	2015
Balance, beginning of year	10,277	11,899
Business combinations	1,943	—
Bad debt expenses	113	2,116
Amount written off and recoveries	(5,908)	(2,619)
Reclassified to disposal group held for sale	—	(1,119)
Balance, end of year	6,425	10,277

The impaired trade receivables are mostly due from customers that are experiencing financial difficulties.

The promissory note has been individually evaluated for impairment due to its significance.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash inflows and cash outflows requirements from Group's entities are monitored closely and separately to ensure the Group optimizes its cash return on investment. Typically, the Group ensures that it has sufficient cash to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. The Group monitors its short and medium-term liquidity needs on an ongoing basis using forecasting tools. In addition, the Group maintains a revolving facility, which has \$410.0 million availability at December 31, 2016 (2015 - \$229.4 million) and has an additional \$250 million credit available (C\$245 million and US\$5 million) under certain conditions under its syndicated bank agreement (2015 - \$250 million, C\$245 million and US\$5 million).

The following are the contractual maturities of the financial liabilities, including estimated interest payment:

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2016						
Trade and other payables	455,175	455,175	455,175	—	—	—
Long-term debt	1,584,815	1,741,045	91,092	303,998	1,345,955	—
Derivatives financial liabilities	6,083	6,083	2,376	1,649	1,953	105
Other financial liability	5,447	5,692	1,300	1,300	3,092	—
	2,051,520	2,207,995	549,943	306,947	1,351,000	105
December 31, 2015						
Bank indebtedness	19,112	19,112	19,112	—	—	—
Trade and other payables	416,015	416,015	416,015	—	—	—
Long-term debt	1,615,100	1,690,892	641,953	854,003	194,936	—
Derivatives financial liabilities	12,642	12,642	3,063	4,258	4,727	594
Other financial liability	2,941	2,941	—	—	2,941	—
	2,065,810	2,141,602	1,080,143	858,261	202,604	594

It is not expected that the contractual cash flows could occur significantly earlier, or at significantly different amounts.

24. Financial instruments and financial risk management (continued)**c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group's management and it does not use derivatives for speculative purposes.

d) Currency risk

The Group is exposed to currency risk on financial assets and liabilities, sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. Primarily the Canadian entities are exposed to U.S. dollars and entities having a functional currency other than the Canadian dollars (foreign operations) are not significantly exposed to currency risk. The Group mitigates and manages its future US\$ cash flow by creating offsetting positions through the use of derivatives. These instruments include foreign exchange contracts and currency option instruments, which are commitments to buy or sell at a future date, and may be settled in cash.

The Group mitigates its financial net liabilities exposure to foreign currency risk related to Canadian entities by holding monthly cross currency interest rate swap contracts, which swaps U.S. dollar principal into Canadian dollars. These instruments were recorded into the consolidated statement of financial position at their fair value which has a current liability of nil at December 31, 2016 (2015 – asset of \$11.4 million). Also, the Group designated a portion of its U.S. dollar denominated debt as a hedging item in a net investment hedge.

The Group's financial assets and liabilities exposure to foreign currency risk related to Canadian entities was as follows based on notional amounts:

(in thousands of U.S. dollars)	2016	2015
Trade and other receivables	37,644	38,991
Trade and other payables	(5,248)	(4,768)
Long-term debt	(332,539)	(704,995)
Balance sheet exposure	(300,143)	(670,772)
Cross currency interest rate swap contracts	—	217,800
Long-term debt designated as investment hedge	325,000	466,000
Net balance sheet exposure	24,857	13,028

The Group estimates its annual net US\$ denominated cash flow from operating activities at approximately \$240 million (2015 - \$260 million). This cash flow is earned evenly throughout the year.

The following exchange rates applied during the year:

	2016	2015
Average US\$ for the year ended December 31	1.3245	1.2785
Closing US\$ as at December 31	1.3427	1.3840

24. Financial instruments and financial risk management (continued)

d) Currency risk (continued)

The Group's foreign exchange derivatives are as follows:

	Exchange rate	Maturity	Notional contract amount US\$	Fair value CDN\$
December 31, 2016				
Sell contracts and currency options (US\$ for CDN\$)	—	—	—	—
December 31, 2015				
Sell contracts and currency options (US\$ for CDN\$):				
Foreign exchange contracts and currency option instruments	1.04 - 1.13	Less than 1 year	500	(230)
Cross currency interest rate swap contracts	1.384	Less than 1 year	217,800	11,375
Assets (liabilities)				11,145

The fair value of foreign exchange forward and currency option contracts has been estimated using rates published by the financial institution which is counterparty to these.

Sensitivity analysis

A 1-cent increase in the U.S. dollar at the reporting date, assuming all other variables, in particular interest rates, remain constant, would have increased (decreased) equity and income or loss by the amounts shown below. The analysis is performed on the same basis for 2015.

	2016		2015	
	1-cent Increase	1-cent Decrease	1-cent Increase	1-cent Decrease
Balance sheet exposure	(2,235)	2,235	(4,846)	4,846
Cross currency interest rate swap contracts	—	—	1,577	(1,577)
Long-term debt designated as investment hedge	2,420	(2,420)	3,367	(3,367)
Net balance sheet exposure	185	(185)	98	(98)

Net impact on change in fair value of foreign exchange derivatives is not significant.

e) Interest rate risk

The Group's intention is to minimize its exposure to changes in interest rates by maintaining a significant portion of fixed-rate interest-bearing long-term debt. This is achieved by entering into interest rate swaps.

On October 27, 2016, pursuant to the adoption of IFRS 9, the Group entered into interest rate swaps designated for cash flow hedges at the inception of the swap for \$500 million. This variable interest debt sets interest using the 30-day Banker's Acceptance rate. In addition, on November 1, 2016, the Group further designated for cash flow hedges of pre-existing interest rate swaps of \$325 million to hedge variable interest debt set using the 30-day Libor rate. The cumulative impact of these cash flow hedges was the recording of a \$12.5 million gain (\$9.1 million, net of tax) on the marking-to-market of the interest rate derivative to other comprehensive income.

Ineffectiveness in hedging stems from differences between the hedged item and hedging instruments with respect to interest rate characteristics, currency, notional values and term. For the year ended December 31, 2016, the derivatives designated as cash flow hedges were considered to be fully effective and no ineffectiveness has been recognized in net earnings.

24. Financial instruments and financial risk management (continued)**e) Interest rate risk (continued)**

At December 31, 2016 and 2015, the interest rate profile of the Group's carrying amount interest-bearing financial instruments excluding the effects of interest rate derivatives was:

	2016	2015
Fixed rate instruments	337,661	251,163
Variable rate instruments	1,247,154	1,363,937
	1,584,815	1,615,100

The Group's interest rate derivatives are as follows:

	2016					2015		
	Average B.A. rate	Notional Contract Amount CAD\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$	Average Libor rate	Notional Contract Amount US\$	Fair value CDN\$
Coverage period:								
Less than 1 year	0.98%	500,000	1.85%	350,000	(573)	1.58%	475,000	(2,133)
1 to 2 years	0.98%	500,000	1.92%	325,000	(411)	1.85%	350,000	(1,831)
2 to 3 years	0.99%	300,000	1.92%	325,000	(605)	1.92%	325,000	(1,794)
3 to 4 years	—	—	1.89%	237,500	(661)	1.92%	325,000	(1,794)
4 to 5 years	—	—	1.92%	100,000	(141)	1.89%	237,500	(1,139)
5 to 6 years	—	—	1.92%	75,000	(106)	1.92%	100,000	(382)
6 to 7 years	—	—	—	—	—	1.92%	75,000	(212)
Liabilities					(2,497)			(9,285)
Presented as:								
Current assets					741			—
Non-current assets					1,287			—
Current liabilities					(1,314)			(2,133)
Non-current liabilities					(3,211)			(7,152)

The fair value of the interest rate swaps has been estimated using industry standard valuation models which use rates published on financial capital markets.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through income or loss. Therefore a change in interest rates at the reporting date would not affect income or loss.

Cash flow sensitivity analysis for variable rate instruments

A 1% change in interest rates at the reporting date would have increased (decreased) equity and net income or net loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	2016		2015	
	1% increase	1% decrease	1% increase	1% decrease
Interest on variable rate instrument	(2,272)	2,272	(9,970)	9,970
Interest on interest rate swaps	245	(245)	4,806	(4,806)
	(2,027)	2,027	(5,164)	5,164

24. Financial instruments and financial risk management (continued)

e) Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

Impact on instruments used in cash flow hedge:

	2016		2015	
	1% increase	1% decrease	1% increase	1% decrease
Interest on variable rate instrument	(6,845)	6,845	—	—
Interest on interest rate swaps	6,845	(6,845)	—	—
	—	—	—	—

Net impact on change in fair value of interest rate swaps is not significant.

f) Capital management

For the purposes of capital management, capital consists of share capital and retained earnings of the Group. The Group's objectives when managing capital are:

- To ensure proper capital investment in order to provide stability and competitiveness to its operations;
- To ensure sufficient liquidity to pursue its growth strategy and undertake selective acquisitions;
- To maintain an appropriate debt level so that there are no financial constraints on the use of capital; and
- To maintain investors, creditors and market confidence.

The Group seeks to maintain a balance between the highest returns that might be possible with higher level of borrowings and the advantages and security by a sound capital position.

The Group monitors its long-term debt using the ratios below to maintain an appropriate debt level. The Group's debt-to-equity and debt-to-capitalization ratios are as follows:

	2016	2015
Long-term debt	1,584,815	1,615,100
Shareholders' equity	1,458,650	1,019,799
Debt-to-equity ratio	1.09	1.58
Debt-to-capitalization ratio	0.52	0.61

There were no changes in the Group's approach to capital management during the year.

The Group's credit facility agreement requires monitoring two ratios on a quarterly basis. The first is a ratio of total debt plus letters of credit and some other long-term liabilities to earnings before interest, income taxes, depreciation and amortization ("EBITDA"). The second is a ratio of adjusted earnings before interest, income taxes, depreciation and amortization and rent expense ("EBITDAR"), and, including last twelve months adjusted EBITDAR from acquisitions to interest and net rent expenses. These ratios are measured on a consolidated last twelve-month basis and must be kept below a certain threshold so as not to breach a covenant in the Group's syndicated bank. At December 31, 2016 and December 31, 2015, the Group was in compliance with its financial covenants.

The Group has sufficient liquidity to continue both its operations as well as its acquisition strategy.

Upon maturity of the Group's long-term debt, the Group's management and its Board of Directors will assess if the long-term debt should be renewed at its original value, increased or decreased based on the then required capital need, credit availability and future interest rates.

24. Financial instruments and financial risk management (continued)**g) Accounting classification and fair values**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Assets carried at fair value				
Derivative financial instruments	2,028	2,028	11,375	11,375
Investment in equity securities	15,884	15,884	—	—
Assets carried at amortized cost				
Cash and cash equivalents	3,654	3,654	—	—
Trade and other receivables	569,181	569,181	507,872	507,872
Promissory note	18,962	18,962	—	—
	609,709	609,709	519,247	519,247
Financial liabilities				
Liabilities carried at fair value				
Derivative financial instruments	6,083	6,083	12,642	12,642
Other financial liability	5,447	5,447	2,941	2,941
Liabilities carried at amortized cost				
Bank indebtedness	—	—	19,112	19,112
Trade and other payables	455,175	455,175	416,015	416,015
Long-term debt	1,584,815	1,647,483	1,615,100	1,619,805
	2,051,520	2,114,188	2,065,810	2,070,515

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at December 31 plus an adequate credit spread, and were as follows:

	2016	2015
Long-term debt	3.1%	2.6%

Fair value hierarchy

Group's financial assets and liabilities recorded at fair value on a recurring basis are investment in equity securities and the derivative financial instruments discussed above. Investment in equity securities are measured using level-1 inputs of the fair value hierarchy and derivative financial instruments are measured using level-2 inputs.

The forward purchase agreement liability and the promissory note are valued at the fair value using level 3 inputs in the fair value hierarchy. The fair value of the forward purchase agreement liability represents the present value of the exercise price of the forward and is measured by applying the income approach using the probability-weighted expected payment of the exit price and is based on discounted cash flows. Unobservable inputs within the fair value measurement include the exit price and the expected payment date for the written put options. The exit price is based on a formulaic variable price which is mainly a function of earnings levels in future periods and requires assumptions about revenue growth rates and operating margins and the expected payment date of the exit price. If the future earnings levels in the future periods would increase (decrease), the estimated fair value of forward purchase agreement liability would increase (decrease).

24. Financial instruments and financial risk management (continued)

g) Accounting classification and fair values (continued)

Fair value hierarchy (continued)

The fair value of the promissory note represents the present value of the future cash flows, based on the interest rate of the note, discounted by the company specific rate of the counterparty of the note. The company specific rate is comprised of a risk-free market rate and a company specific premium based on their risk profile. The counterparty to the note is GFL, a private company, for which limited publicly available information exist. At the issuance of the promissory note, the fair value was established using public information on the source of funding to acquire the Waste Management segment. Subsequent to the initial measurement, adjustments to the company risk premium are made based on the analysis of published financial information and on significant macro environmental factors impacting their segment. The risk-free market rate is publicly available.

25. Operating leases, contingencies and letters of credit

a) Operating leases

The Group entered into operating leases expiring on various dates through March 2035, with respect to rolling stock, real estate and other. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
Less than 1 year	128,339	116,952
Between 1 and 5 years	246,284	237,951
More than 5 years	100,898	124,824
	475,521	479,727

In 2016, expense of \$134.3 million was recognized in income or loss in respect of operating leases (2015 – \$126.6 million).

b) Contingencies

There are pending operational and personnel related claims against the Group. The Group has accrued \$6.7 million for claim settlements which are presented in long term provisions on the consolidated statements of financial position. In the opinion of management, these claims are adequately provided for and settlement should not have a significant impact on the Group's financial position or results of operations.

c) Letters of credit

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

26. Related parties***Parent and ultimate controlling party***

There is no single ultimate controlling party. The shares of the Company are widely held.

Transactions with key management personnel

Board members of the Company, executive officers and top managers of major Group's entities are deemed to be key management personnel. There is no transaction with key management personnel other than their respective compensation.

Key management personnel compensation

In addition to their salaries, the Company also provides non-cash benefits to board members and executive officers.

Executive officers also participate in the Company's stock option and performance contingent restricted share unit plans and board members are entitled to deferred share units, as described in note 19. Costs incurred for key management personnel in relation to these plans are detailed below.

Key management personnel compensation comprised:

	2016	2015
Short-term benefits	18,019	9,322
Post-employment benefits	975	674
Equity-settled share-based payment transactions	4,231	2,975
Cash-settled share-based payment transactions	934	941
	24,159	13,912

27. Subsequent event

On January 28, 2017, the group acquired Cavalier Transportation Services Inc. ("Cavalier") for \$37.2 million. Cavalier provides domestic and U.S. service in the Great Lakes region in the Less-Than-Truckload segment.

BOARD OF DIRECTORS



ALAIN BÉDARD, FCPA, FCA
Chairman of the Board,
President and Chief Executive
Officer, TFI International Inc.



ANDRÉ BÉRARD
Corporate Director
and Lead Director of
TFI International Inc.



SCOTT C. ARVES
Corporate Director



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



RICHARD GUAY
Consultant and
Corporate Director



ANNIE LO
Corporate Director



NEIL DONALD MANNING
Corporate Director



JOEY SAPUTO
President, Montreal Impact
and Saputo Stadium

CORPORATE GOVERNANCE

As an industry leader, TFI International Inc. meets and complies with the existing guidelines for effective corporate governance. We do more than being in compliance of a set of rules; we have adopted a fundamental attitude, based on our principle of Accountability.

CODE OF ETHICS AND DISCLOSURE POLICY

To ensure we meet the highest standards of governance, the Board of Directors is guided – and TFI International's business activities are shaped – by the principles outlined in TFI International's Code of Ethics (the "Code") and the Disclosure Policy. The Code applies to everyone from the Board members to all employees of TFI International and its 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 Corporate Governance and Nominating Committee to ensure compliance, on a regular basis and as required, with the controls described in the Code. The Disclosure Policy contains various rules and guidelines to ensure that communications to the general public, the media and the investment community are timely, accurate and broadly disseminated in accordance with all applicable legal requirements.

BOARD OF DIRECTORS

TFI International is governed by its Board of Directors, which is elected annually by the shareholders. The Board of Directors currently has eight members, of whom the majority are defined as independent and one is management. The Board of Directors also has its own governing charter and appoints a Lead Director whose role is to provide leadership in ensuring the effectiveness of the Board of Directors.

BOARD COMMITTEES

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

Audit Committee

The Audit Committee was established to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing, with its auditors, the financial reports and other financial information provided to the public, the internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. The committee consists of three independent Directors.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee consists of three independent Board members, appointed annually. Its responsibilities are governed by a written mandate and include:

- Oversee the Corporation's management succession plan
- Assess the Corporation's performance and compensation plans for named executive officers
- Review human resources practices and performance
- Review executive compensation disclosure

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee consists of three independent Board members, appointed annually, who are all independent Directors.

The Committee has authority and responsibility for a number of areas provided in its charter including:

- Recruit and form Board members and assess their respective skills and effectiveness of the Board of Directors
- Ensure that current and effective governance practices are in place, including overseeing compliance with the Code and Disclosure Policy
- Direct and approve the Corporation's compensation of its Board members

POLICIES

In addition to the Code and the Disclosure Policy, the Board of Directors has implemented the following:

- Rules of Conduct of Insiders Respecting Trading of Securities of TFI International Inc.
- Whistleblower Policy
- Privacy Policy
- Clawback Policy
- Anti-Hedging Policy
- Social Media Policy
- Child Labour and Forced Labour Policy

CORPORATE DIRECTORY

CORPORATE TEAM		MANAGEMENT TEAM		
Alain Bédard, FCPA, FCA Chairman of the Board, President and CEO	Johanne Dean Vice-President, Marketing and Communications	Martin Quesnel, CPA, CA Vice-President, Finance	Jean-François Dodier, CPA, CMA Executive Vice-President	Rob O'Reilly Executive Vice-President
Gregory W. Rumble, CPA, CA Executive Vice-President and Chief Financial Officer	Sylvain Desaulniers, CIRC Vice-President, Human Resources	David Saperstein Vice-President, Mergers and Acquisitions	Louis Gagnon Executive Vice-President	Keith Klein President, Transport America
Daniel Auger, ENG Vice-President, Information Technologies	Josiane-M. Langlois, LL.M. Vice-President, Legal Affairs and Corporate Secretary	Margaret Smith, CPA, CA Vice-President, Finance – Operations Support	Brian Kohut Executive Vice-President	Scott Leveridge President, Dynamex (U.S.)
	Chantal Martel, LL.B. Vice-President, Insurance and Compliance	Ken Tourangeau, CPA, CA Vice-President, Finance and Control	Bob McGonigal Executive Vice-President	Tim Staroba President, CFI
PACKAGE & COURIER				
Same-Day/Last Mile Delivery		Next-Day Delivery		
All Canadian Courier Roger Sandhu VP & General Manager	Dynamex (U.S.) Scott Leveridge President	Hazen Final Mile Richard Palmer VP & General Manager	Canpar Courier Brian Kohut Executive Vice-President	Muskoka Delivery Services Rick Hashie President
Dynamex (Canada) Kal Atwal VP & General Manager	Ensenda Christopher Miller Vice-President, Operations	TForce Direct Scott Leveridge President	ICS Courier Ping Yan Senior VP, Operations	TForce Integrated Solutions Rick Hashie President
			Loomis Express Rick Hashie President	
LESS-THAN-TRUCKLOAD				
Intermodal		Over-the-road		
Clarke Transport Darell Hornby President	Quiktrax Intermodal Lori McCreight President	Canadian Freightways Bob McGonigal Executive Vice-President	La Crete Transport Jake Fehr General Manager	Total Transfer Bob McGonigal Executive Vice-President
National Fast Freight Marcus Pryce Jones President	Vitran Tony Trichilo President	Concord Rick Hashie President	McMurray Serv-U Expediting Elvis Penton General Manager	Tripair Transportation Don Burditt General Manager
		Kingsway Christian Gendreau General Manager	Quik X Transportation Lori McCreight President	TST Overland Express Paul Bomben Vice-President, Operations
TRUCKLOAD				
Conventional				
A&M International & Ganeca Yvan Lapointe General Manager	Clarke Road Transport Jim Langille VP & General Manager	Highland Terry Gardiner VP & General Manager	Papineau International Philippe Papineau General Manager	TST Truckload & TST Load Brokerage Jeff Laforet VP & General Manager
Besner Jean-François Dodier Executive Vice-President	Couture Serge Poulin General Manager	J.C. Germain Jean-Claude Germain President	Roadfast John Brodigan General Manager	
CFI Tim Staroba President	Grégoire Caroline Francoeur Assistant General Manager	Laidlaw Carriers Van Greg Tuckwell VP & General Manager	Transport America Keith Klein President	

CORPORATE DIRECTORY

TRUCKLOAD

Specialized

Bergeron André Bergeron VP & General Manager	GHL Transport & Mirabel Logistics Patrick Sarrazin General Manager	Laidlaw Carriers Bulk Scott Talbot Vice-President	Rebel Transport Justin Paul General Manager	TST Expedited & TST Air Jeff Laforet VP & General Manager
Charbonneau Andrea Charbonneau Assistant General Manager	Glen Tay Transportation Dave Golton Vice-President	Laidlaw Carriers Tank Dave Golton Vice-President	TF Dedicated Steve Brookshaw VP & General Manager	Westfreight Services Donnalea Dolan VP & General Manager
Contrans Flatbed Group Steve Brookshaw VP & General Manager	Golden International Martin Godbout General Manager	McArthur Express David Wyville VP & General Manager	TF Truckload & Logistics Justin Paul General Manager	Winalta Ian McKinley Manager
Durocher International Steve Lamontagne General Manager	Highland Intermodal Terry Gardiner VP & General Manager	Nordique Philippe Papineau General Manager	Trans2D Logistics Philippe Papineau General Manager	
E.L. Farmer David Musgraves President	JAF André Gosselin General Manager	P&W Intermodal & MTMX Mark Joczys General Manager	Trans4 Dedicated Brenda Everitt VP & General Manager	
ECL Carriers Ray Fillion General Manager	Kingsway Bulk Junior Roy President	Peter Hodge Transport David Peddie General Manager	Tri-Line Carriers Steve Brookshaw Vice-President	

LOGISTICS

Centre Mécanique Henri-Bourassa Jean-Francois Dodier Executive Vice-President	Cornerstone Logistics William Oliver Vice-President	Landry Jean-Francois Dodier Executive Vice-President	Quik X Logistics Lori McCreight President	Velocity Supply Chain Solutions Bob McGonigal Executive Vice-President
CFI Logistica Tim Staroba President	E&L Logistics Albert Léger President	Logikit Jean-Francois Dodier Executive Vice-President	St-Lambert Éric Bédard Director	
CK Logistics Connie Roberts President	Hyphen Transportation Management Lisa Pierce Director	Optimal Freight Noam Frankel President	Stream Logistics Rick Baird General Manager	
Clarke North America Timothy Drake Vice-President	Kobelt Transportation Chris Forsythe President	Patriot Freight Services Louis Gagnon Executive Vice-President	TLS Trailer Leasing Services Norman Brazeau VP & General Manager	

CORPORATE INFORMATION

EXECUTIVE OFFICE

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E-mail: administration@tfiintl.com

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Web site: www.tfiintl.com
E-mail: administration@tfiintl.com

AUDITORS

KPMG LLP

STOCK EXCHANGE LISTING

TFI International Inc. shares are listed on the Toronto Stock Exchange under the symbol TFI and on the OTCQX marketplace in the U.S. under the symbol TFIFF.

FINANCIAL INSTITUTIONS

National Bank of Canada
Royal Bank of Canada
Bank of America Merrill Lynch
Bank of Montreal
The Bank of Nova Scotia
Caisse Centrale Desjardins
JP Morgan Chase Bank
Toronto Dominion Bank
Bank of Tokyo-Mitsubishi UFJ (Canada)
Canadian Imperial Bank of Commerce
HSBC Bank Canada
PNC Bank Canada Branch
Alberta Treasury Branch

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 8th floor
Toronto, Ontario M5J 2Y1
Telephone: 416 263-9200
1 800 564-6253
Fax: 1 888 453-0330

ANNUAL MEETING OF SHAREHOLDERS

Wednesday, April 26, 2017
at 1:30 p.m.
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

DESIGNED AND WRITTEN BY

MaisonBrison Communications

*Si vous désirez recevoir la version française de ce rapport, veuillez écrire au secrétaire de la société :
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TFI International Inc. is a North American leader in the transportation and logistics industry, operating across Canada, the United States and Mexico through its subsidiaries. TFI International creates value for shareholders by identifying strategic acquisitions and managing a growing network of wholly-owned operating subsidiaries. Under the TFI International umbrella, companies benefit from financial and operational resources to build their businesses and increase their efficiency.

TFI International companies service the following segments:

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

TFI International Inc. is publicly traded on the Toronto Stock Exchange (TSX: TFI) and the OTCQX marketplace in the U.S. (OTCQX: TFIFF).

www.tfiintl.com