

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Contrans Group Inc.  
1179 Ridgeway Road  
Woodstock, Ontario  
N4V 1E3

**2. Date of Material Change**

April 4, 2012

**3. News Release**

A news release was issued on April 4, 2012 through the facilities of Marketwire and subsequently filed on SEDAR.

**4. Summary of Material Change**

On April 4, 2012, Contrans Group Inc. ("Contrans" or the "Company") announced that it will present a proposal to reorganize its dual class share structure into one class of common shares (the "Reorganization Proposal") to shareholders at an annual and special meeting to be held on May 14, 2012. In connection with, and conditional upon the shareholders of Contrans voting for the Reorganization Proposal, at the meeting shareholders will also be asked to approve the adoption of a shareholder rights plan (the "Rights Plan"), subject to acceptance by the Toronto Stock Exchange.

**5. Full Description of Material Change**

On April 4, 2012, Contrans announced that it will present the Reorganization Proposal to shareholders at an annual and special meeting to be held on May 14, 2012. In connection with, and conditional upon the shareholders of Contrans voting for the Reorganization Proposal, at the meeting shareholders will also be asked to approve the Rights Plan, subject to acceptance by the Toronto Stock Exchange.

Reorganization Proposal

Under the terms of the Reorganization Proposal, each Class B Multiple Voting Share of the Company would be converted into approximately 1.727 Class A Subordinate Voting Shares, and following this conversion, all Class A Subordinate Voting Shares would be reclassified as common shares. The Reorganization Proposal would result in a dilution of approximately 3.17% to the current holders of Class A Subordinate Voting Shares of the Company.

To become effective, the Reorganization Proposal must be approved by holders of shares of the Company entitled to at least 66 2/3% of the votes attached to both classes

of shares which are voted at the meeting and, in separate class votes, the holders of Class A Subordinate Voting Shares and Class B Multiple Voting Shares entitled to at least 66 2/3% of the votes attached to each class of such shares which are voted at the meeting. Although the Reorganization Proposal is not required by law to be approved by the holders of a majority of the independent holders of Class A Subordinate Voting Shares of the Company, this approval will be sought at the meeting and the transaction will not proceed without receipt of this approval.

The Class B Multiple Voting Shares of the Company are held by Stan Dunford, the Chairman and Chief Executive Officer of the Company, and Robert Burgess, a director of the Company, together with certain persons associated with them (the "Class B Shareholders"). The Class B Shareholders have agreed to approve the terms of the Reorganization Proposal, including voting both classes of shares held by them in favour of the transaction. The Class B Shareholders were advised by legal counsel independent of those of the Company.

There are 1,467,724 Class B Multiple Voting Shares and 32,226,135 Class A Subordinate Voting Shares outstanding. In the event the Reorganization Proposal is approved and implemented, an aggregate of 34,761,250 common shares of the Company will be issued and outstanding, 6,206,866 or approximately 17.86% of which will be held by Mr. Dunford and persons associated with him and 237,892 or approximately 0.68% of which will be held by Mr. Burgess and persons associated with him.

The Reorganization Proposal was initiated by independent directors of the Company together with certain executive officers of the Company other than Stan Dunford (the "Independent Management Group") who determined that it was worth exploring the feasibility of a conversion of the Class B Multiple Voting Shares. Both the directors and the Independent Management Group were of the view that a restructuring of the capital of Contrans of the nature proposed would provide it with an enhanced ability to pursue its growth strategy and to issue equity from time to time on more favourable terms. More particularly, they were of the view that the implementation of the Reorganization Proposal would enhance the market acceptance and liquidity of the Company's shares, particularly among institutional shareholders which have periodically expressed concern with its dual class share structure. In addition, the Independent Management Group noted that the North American trucking industry is consolidating, thereby creating attractive growth opportunities in the next few years. As part of this consolidation, the Company expects to be presented with interesting acquisition opportunities which may require it to issue equity either directly in connection with any acquisitions it undertakes or to raise the capital to do so. Implementation of the Reorganization Proposal is expected to allow the Company to pursue certain acquisition opportunities that might not otherwise be available to it due to its current share structure.

The Board of Directors of the Company, other than Messrs. Dunford and Burgess (the "Independent Board") engaged Crosbie & Company Inc. ("Crosbie") to review the matter and have been advised by Crosbie that in its opinion the Reorganization Proposal would be fair, from a financial point of view, to the holders of Class A Subordinate Voting Shares. The Independent Board also reviewed the record of negotiations conducted by the Independent Management Group with the Class B Shareholders and were satisfied that the Reorganization Proposal reasonably reflected the best available conversion rate for the holders of Class A Subordinate Voting Shares. As a result of these deliberations,

taking into account the opinion of Crosbie, the Independent Board has concluded that the Reorganization Proposal is in the best interests of the Company and its holders of Class A Subordinate Voting Shares and recommends its approval.

In commenting on the Reorganization Proposal, Mr. Dunford stated that “I am of the view that the reorganization of the share capital will be of benefit to the Company and its shareholders in that it will unlock further share value and create the potential for accelerated growth.” In commenting on his personal commitment to the Company, he indicated that “I plan to remain the Chairman and Chief Executive Officer, have agreed to extend my employment agreement for a term of five years from the date of the implementation of the Reorganization Proposal and intend to continue to maintain my significant investment in the Company.”

#### Formal Valuation and Minority Exemptions

Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) regulates certain types of related party transactions to ensure the protection and fair treatment of minority security holders. The Reorganization Proposal is a “related party transaction” for the purposes of MI 61-101 because it involves the issue of securities, directly or indirectly, to Mr. Dunford and Mr. Burgess.

MI 61-101 provides that in certain circumstances, unless exempted, an issuer proposing to carry out a related party transaction is required to obtain a formal valuation for the related party transaction from a qualified and independent valuator and to provide security holders with a summary of such valuation. Contrans is relying on an exemption from the formal valuation requirement contained in section 5.5 of MI 61-101 for a related party transaction which provides that a formal valuation is not required if neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25% of the issuer’s market capitalization (the “market cap exemption”).

MI 61-101 also requires that, in addition to any other security holder approval, unless exempted, a related party transaction must be approved by at least a simple majority of the votes cast by “minority” shareholders of each class of affected securities, voting separately as a class. In the circumstances of the proposed transaction, the “minority” shareholders of Contrans are the holders of Class A Subordinate Voting Shares other than Mr. Dunford, Mr. Burgess, Floyd Dunford Limited, HCB Investments Limited and Burgess Farms Inc. and any affiliate of any of the foregoing. Floyd Dunford Limited and HCB Investments Limited are the registered shareholders through which Mr. Dunford holds his Class B Multiple Voting Shares. Mr Burgess holds his Class B Multiple Voting Shares personally and through his control of Burgess Farms Inc.

The related party transaction is exempt from the requirement to obtain minority shareholder approval by application of the market cap exemption contained in section 5.7 of MI 61-101

This minority approval requirement was adopted notwithstanding the availability under MI 61-101 of the market cap exemption in respect of the related party transaction, and although obtaining the approval of minority shareholders is not a requirement under applicable corporate or securities law. Specifically, the Independent Board, has required

that the Reorganization Proposal be approved by a simple majority of the votes cast by the minority holders of Class A Subordinate Voting Shares, voting separately as a class.

### Shareholder Rights Plan

The Company also proposes to establish the Rights Plan in order to address the possibility of an unsolicited take-over bid for the common shares of the Company (a "Bid") following the implementation of the Reorganization Proposal. In the context of the elimination of the Company's dual class share structure, the Independent Board believes that it is in the best interest of the Company and its shareholders for the Company to adopt the Rights Plan. The fundamental objectives of the proposed Rights Plan are to provide adequate time for the Board of Directors and the Company's shareholders to assess a Bid, provide the Board of Directors of the Company with sufficient time to explore and develop alternatives for maximizing shareholder value, provide the Company's shareholders with an equal opportunity to participate in the Bid and protect shareholders from unfair, abusive or coercive take-over tactics. Current securities legislation only requires a take-over offer to remain open for 35 days and the Independent Board believes that this period may be insufficient for shareholders to evaluate a Bid or for the Board of Directors to pursue alternatives which could maximize shareholder value and make informed recommendations to shareholders. The Rights Plan is similar to shareholder rights plans adopted by other Canadian companies.

In order to become effective, the Rights Plan must be approved by the Toronto Stock Exchange and a majority of the shares represented and voted at the meeting (prior to the implementation of the Reorganization Proposal). The Rights Plan will only be considered if the Reorganization Proposal is approved by shareholders and the Reorganization Proposal will not be implemented unless the Rights Plan is also approved.

Further information regarding the Reorganization Proposal and the Rights Plan, including the proposed text of the Rights Plan, will be provided in the Management Information Circular which will be mailed to holders of Class A Subordinate Voting Shares of the Company in connection with the meeting. In particular, the Management Information Circular will outline in greater detail the reasons for the recommendation of the Independent Board and the basis on which it determined that the Reorganization Proposal is in the best interests of the Company and its holders of Class A Subordinate Voting Shares.

Contrans Group Inc. is one of Canada's leading providers of freight transportation services to shippers located in Canada as well as in the eastern, mid-western and southern United States.

### Forward-Looking Statements

The material change report contains certain forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements relate to future events or future performance and include, but are not limited to, changes in government regulations regarding weights and dimensions of highway equipment, the age and condition of the transportation fleet and the growth of Contrans' business. Often, but not always, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential",

"continue" or the negative of these terms or other comparable terminology. Such statements reflect the current views and estimates of management of Contrans with respect to future events, as of the date such statements are made, and they involve known and unknown risks and uncertainties which may cause actual events or results to differ materially from those expressed or implied by forward-looking statements. In evaluating these statements, readers should specifically consider factors such as the risks outlined under "Risk Factors" in Contrans' Annual Information Form, which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Although Contrans has attempted to identify important factors that could cause actual events, actions or results to differ materially from those described in the forward-looking statements, there may be other factors that cause such events, actions or results to differ. Contrans is under no obligation (and expressly disclaims any such obligation) to update forward-looking statements if circumstances or management's views or estimates change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**7. Omitted Information**

No significant facts have been omitted from this report.

**8. Executive Officer**

For further information contact Gregory W. Rumble, President and Chief Operating Officer at 519-421-4600 or by e-mail at [info@contrans.ca](mailto:info@contrans.ca).

**9. Date of Report**

April 12, 2012