

SUPPORT AGREEMENT

THIS AGREEMENT is made as of July 24, 2014.

AMONG: **TRANSFORCE INC.**, a corporation incorporated under the laws of Canada;

(**"Parent"**)

AND: **2420785 ONTARIO INC.**, a corporation incorporated under the laws of Ontario;

(**"Offeror"**)

AND: **CONTRANS GROUP INC.**, a corporation incorporated under the laws of Ontario;

(**"Contrans"**)

WHEREAS the Offeror desires to acquire all of the Shares (as defined herein) and is prepared to make the Offer (as defined herein) on the terms and subject to the conditions contained herein;

WHEREAS the Offeror is an indirect subsidiary of Parent;

WHEREAS each of the Locked-Up Shareholders (as defined herein) has entered into a Lock-Up Agreement (as defined herein) dated the date hereof;

AND WHEREAS the Board (as defined herein), after receiving financial and legal advice, has determined that the Offer is in the best interests of Contrans and has resolved to recommend that holders of Shares accept the Offer, all on the terms and subject to the conditions contained herein;

NOW THEREFORE, this Agreement witnesses that in consideration of the premises and the respective agreements and covenants herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions shall have the following meanings:

"Acquisition Proposal" means, other than the transactions contemplated by this Agreement and other than any transaction involving Parent or Offeror or one or more of their Affiliates, any take-over bid or offer for twenty percent (20%) or more of the issued and outstanding Class A Shares or Class B Shares or any proposal, offer or agreement for a merger, consolidation,

amalgamation, arrangement, share exchange, reorganization, business combination, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving Contrans or any of the Subsidiaries or any proposal or offer to acquire in any manner a twenty percent (20%) or greater equity or beneficial interest in, or a material amount of the assets of, Contrans;

“**Affiliate**” has the meaning ascribed thereto in the Securities Act;

“**Agreement**” means this Support Agreement, together with the schedules attached hereto and the Disclosure Letter, each as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

“**Bid Circular**” means the offer to purchase and take-over bid circular, in the form prescribed by Securities Laws, to be sent to Shareholders by the Offeror in connection with the Offer;

“**Board**” means the board of directors of Contrans;

“**Business Day**” means any day other than a Saturday, Sunday or a statutory holiday in the City of Toronto, Ontario or in the City of Montreal, Quebec;

“**Canadian GAAP**” means (i) for years that began prior to January 1, 2011, generally accepted accounting principles in Canada, as set out in the Handbook published by the Canadian Institute of Chartered Accountants, and (ii) for years that began on or after January 1, 2011, international financial reporting standards, as set out in the Handbook published by the Canadian Institute of Chartered Accountants or any successor institute;

“**Class A Shares**” means the Class A Subordinate Voting shares in the share capital of Contrans;

“**Class B Shares**” means the Class B Multiple Voting shares in the share capital of Contrans;

“**Commissioner of Competition**” means the Commissioner under the Competition Act or any Person duly authorized to exercise the powers of the Commissioner of Competition;

“**Competition Act**” means the *Competition Act* (Canada);

“**Competition Act Approval**” means (i) receipt by the Offeror or Parent of an advance ruling certificate issued by the Commissioner of Competition under Section 102(1) of the Competition Act with respect to the transactions contemplated by this Agreement on conditions satisfactory to Parent, acting reasonably; or (ii) both of the (A) expiry, waiver or termination of the waiting period, including any extension of such waiting period, under Section 123 of the Competition Act or the waiver of the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act under Section 113(c) of the Competition Act, and (B) receipt by the Offeror or Parent of a No-Action Letter from the Commissioner of Competition on terms satisfactory to Parent, acting reasonably;

“**Competition Act Submission**” has the meaning ascribed thereto in Section 4.2(g)(i);

“**Compulsory Acquisition**” has the meaning ascribed thereto in Section 2.4;

“Contaminants” means any pollutant, contaminant or waste of any nature, including any hazardous waste, hazardous substance, hazardous material, toxic substance, dangerous substance, dangerous good or deleterious substance under or pursuant to any applicable Environmental Laws and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or worker or public health and safety;

“Directors’ Circular” means the circular of the Board, in the form prescribed by Securities Laws, to be sent to the Shareholders by Contrans in connection with the Offer;

“Disclosure Letter” means the disclosure letter of Contrans delivered to the Offeror and Parent on a confidential basis concurrently with the execution and delivery of this Agreement;

“Effective Date” means the date on which the Offeror first pays for Shares under the Offer;

“Employee” means any individual employed by Contrans or any of the Subsidiaries on a full-time, part-time or temporary basis who provides services to Contrans or any of the Subsidiaries, including those individuals who are on disability leave, parental leave or other permitted absence and for the purposes of this Agreement includes all independent contractors of Contrans or any of the Subsidiaries;

“Employee Plans” has the meaning ascribed thereto in Section 3.1(z);

“Encumbrances” means mortgages, charges, hypothecs, pledges, security interests, liens, encumbrances, actions, claims, demands, equities, leases, offers to lease, privileges, license agreements, title retention agreements, trust deeds, assignments by way of security, conditional sales contracts or other title-retention agreements, or other similar interests or instruments charging, or creating a security interest in, or against title, restrictions, development or similar agreements, restrictive covenants, title defects, restrictions, executions, tax arrears, permissions, options or adverse claims or encroachments of any nature whatsoever or however arising, or any agreement to enter into or create any of the foregoing and any rights and privileges (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Environmental Approvals” means all permits, certificates, licenses, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Laws;

“Environmental Condition” means the generation, discharge, emission or Release into the environment (including ambient air, surface water, groundwater or land) prior to the Effective Date of any Contaminants by any Person in respect of which remedial action is required under any Environmental Laws or as to which any liability is currently or in the future imposed upon any Person based upon the acts or omissions of any Person prior to the Effective Date with respect to any Contaminants or reporting with respect thereto;

“Environmental Laws” means all applicable federal, provincial, state, municipal or local Laws, statutes, regulations or ordinances relating to the environment, occupational safety and health, including those relating to the distribution, processing, generation, treatment, control, storage,

presence, disposal, transportation, other handling or Release or threatened Release of Contaminants;

“Exchange” means the Toronto Stock Exchange;

“Executive Employment Agreements” means, collectively: (i) the Third Amended and Restated Employment Agreement between Stanley Dunford, Contrans Services LP, by its General Partner, Contrans Services GP Inc., and Contrans, dated June 30, 2010, (ii) the Bonus Award Agreement between Stanley Dunford, Contrans Services LP, by its General Partner, Contrans Services GP Inc., and Contrans, dated June 30, 2010, (iii) the Waiver and Agreement between Stanley Dunford and Contrans Services LP, by its General Partner, Contrans Services GP Inc., dated April 4, 2012, (iv) the Third Amended and Restated Employment Agreement between Gregory W. Rumble, Contrans Services LP, by its General Partner, Contrans Services GP Inc., and Contrans, dated June 30, 2010, (v) the Bonus Award Agreement between Gregory W. Rumble, Contrans Services LP, by its General Partner, Contrans Services GP Inc., and Contrans, dated June 30, 2010, (vi) the Employment Agreement between [*personal information omitted*] and Tripar Transportation LP, by its General Partner, Tripar Transportation GP Inc., dated November 1, 2006, (vii) the Employment Agreement between [*personal information omitted*] and Tripar Transportation LP, by its General Partner, Tripar Transportation GP Inc., dated November 1, 2006, and (viii) the Employment Agreement between [*personal information omitted*] and Tripar Transportation LP, by its General Partner, Tripar Transportation GP Inc., dated November 1, 2006;

“Expiry Time” means the Initial Expiry Time or any subsequent time set out in any notice of the Offeror extending such period during which Shares may be deposited under the Offer in accordance with Section 2.1(d);

“Fairness Opinion” means the written opinion of Cormark Securities Inc., to the effect that, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to the Shareholders other than the Offeror and its Affiliates;

“Fully-Diluted Basis” means, with respect to the number of outstanding Shares at any time, the number of Shares that would be outstanding if all rights to acquire or receive Shares were exercised, including for greater certainty, all Shares issuable upon the exercise of Options, whether vested or unvested;

“Governmental Entity” means any applicable: (i) domestic or foreign national, federal, provincial, state, county, local, municipal or regional government or body; (ii) multinational, multilateral or international body; (iii) subdivision, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies; (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing governments or bodies; (v) domestic, foreign, international, multilateral or multinational judicial, quasi-judicial, arbitration or administrative court, tribunal, commission, board or panel; or (vi) person employed by, acting for, or on behalf of, any of the foregoing bodies;

“including” means “including without limitation”;

“Initial Expiry Time” means 12:01 a.m. (Toronto time) on the thirty-sixth (36th) day after the date on which the Offer is commenced within the meaning of the Securities Act, provided that, if such day is not a Business Day, then the Initial Expiry Time shall be at the same time on the next Business Day;

“Intellectual Property Right” means any trademark, service mark, registration thereof or application for registration therefor, trade name, license, invention, patent, patent application, industrial designs, trade secret, trade dress, know-how, copyright, copyrightable materials, copyright registration, application for copyright registration, software programs and data bases, names and all derivations thereof, domain name and any other type of proprietary intellectual property right, and all embodiments and fixations thereof and related documentation, registrations and franchises and all additions, improvements and accessions thereto, in each case which is owned or licensed or filed by Contrans, any Subsidiary or any of their Affiliates or used or held for use in their business, whether registered or unregistered or domestic or foreign;

“Laws” means all laws (including common law and civil law), by-laws, statutes, rules, regulations, orders, ordinances, judgments, decrees, policies, injunctions, writs, certificates or other requirements of a Governmental Entity, whether domestic or foreign, having the force of law;

“Leased Real Property” has the meaning ascribed thereto in Section 3.1(u);

“Locked-Up Shareholders” means, collectively, Stanley G. Dunford, Gregory W. Rumble, Robert B. Burgess, Archie M. Leach, G. Ross Amos and Jamie Clark;

“Lock-Up Agreements” means the lock-up agreements entered into between the Offeror and Parent, on the one hand, and each of the Locked-Up Shareholders, on the other hand, concurrently with the execution of this Agreement, as well as any lock-up agreements, substantially in the form annexed hereto as Schedule B, entered into between the Offeror and Parent, on the one hand, and other Shareholders, on the other hand, after the date hereof;

“Material Adverse Effect” means, in respect of Contrans, a change, effect, event, occurrence or state of facts that, individually or in the aggregate are, or would reasonably be expected to be, material and adverse to the business, assets, liabilities, obligations (whether absolute, accrued or otherwise), financial condition or results of operations, in each case, of Contrans and its Subsidiaries taken as a whole, other than any change, effect, event, occurrence or state of facts or development:

- (a) relating to general political, economic or financial conditions in jurisdictions in which Contrans and its Subsidiaries operate or the securities markets in North America or to any natural disaster or epidemic or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof;
- (b) relating to any changes in Laws or interpretation thereof by any Governmental Entity or in Canadian GAAP;
- (c) affecting generally the industry in which Contrans and its Subsidiaries operate;

- (d) relating to a change in the market trading price or trading volume of the Class A Shares (it being understood that causes underlying and other facts relating to such change may be taken into account in determining whether a Material Adverse Effect has occurred);
- (e) relating to any failure, in and of itself, by Contrans to meet any forecasts, projections or earnings guidance provided or released by Contrans or equity analysts, for any period (it being understood that causes underlying and other facts relating to such failure may be taken into account in determining whether a Material Adverse Effect has occurred); or
- (f) resulting from (i) the announcement of this Agreement or the transactions contemplated hereby, or (ii) compliance with the terms of this Agreement, or (iii) the consummation or pending nature of the transactions contemplated hereby, including, in each case, the impact thereof on relationships (contractual or otherwise) with clients, suppliers, lenders, investors or employees of Contrans and the Subsidiaries;

provided, however, that the change, effect, event, occurrence or state of facts or development described in clauses (a) to (c) above shall not be excluded from the definition of Material Adverse Effect if it materially, disproportionately and adversely affects Contrans and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry and in the jurisdictions in which Contrans and its Subsidiaries operate;

“Material Contracts” means all contracts, leases, instruments, notes, bonds, debentures, agreements, arrangements or understandings to which Contrans or any Subsidiary is a party or under which Contrans or any Subsidiary is bound:

- (a) that are material to the conduct of the business and affairs of Contrans and the Subsidiaries (provided that customer contracts that do not account for at least \$5,000,000 of the annual revenue of Contrans shall not be considered material); or
- (b) that provide for change in control, severance, retention or related payments and/or benefits to directors, officers or employees of Contrans or any of the Subsidiaries as a direct result of the completion of the transactions contemplated by this Agreement;

“MI 61-101” means *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*;

“Minimum Tender Condition” has the meaning ascribed thereto in Schedule A;

“Minister of Transport” means the Canadian Minister of Transport;

“No-Action Letter” means written confirmation from the Commissioner of Competition that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by this Agreement;

“Non-Disclosure Agreement” means the non-disclosure agreement dated August 20, 2013 between Contrans and Parent;

“OBCA” means the *Business Corporations Act* (Ontario);

“Offer” means the offer to be made by the Offeror by way of a take-over bid under Securities Laws to purchase all of the outstanding Shares (including Class A Shares to be issued after the date hereof upon the exercise of rights to acquire or receive Class A Shares) at the Offer Price in accordance with Section 2.1, and shall include any amendments to, or extensions of, such offer made in accordance with the terms of this Agreement, including any removal or waiver of any condition or extension of the date by which Shares may be deposited;

“Offer Deadline” has the meaning ascribed thereto in Section 2.1(a);

“Offer Documents” means the Bid Circular and the related letter of transmittal and notice of guaranteed delivery;

“Offer Price” has the meaning ascribed thereto in Section 2.1(a);

“Offeror Material Adverse Effect” means, in respect of the Offeror and/or Parent, as applicable, a change, effect, event, occurrence, state of facts or development that has, or would reasonably be expected to have, individually or in the aggregate with all other changes, effects, events, occurrences, states of facts or developments, the effect of preventing, restricting or materially delaying the consummation of the Offer, or materially impairing or delaying the ability of the Offeror and/or Parent, as applicable to perform their respective obligations hereunder;

“Options” means outstanding options to purchase Class A Shares granted under the Stock Option Plan;

“Ordinary Course” means, with respect to an action taken by Contrans, that such action is consistent with the past practices of Contrans and the Subsidiaries since December 31, 2008 and is taken in the ordinary course of the normal day-to-day operations of the business of Contrans and the Subsidiaries;

“Outside Date” means October 31, 2014, or such later date as may be mutually agreed to in writing by the Parties, subject to the right of either Party to postpone the Outside Date for up to an additional thirty (30) days (in ten (10)-day increments) if the Offeror’s taking up and payment for Shares deposited under the Offer is delayed by (a) any appealable judgment rendered by a court of competent jurisdiction enforceable against the Offeror, Parent or Contrans, or (b) the Parties not having obtained any Regulatory Approval, unless as a result of a non-appealable decision of a Governmental Entity, by giving written notice to the other Party to such effect no later than 5:00 p.m. (Toronto time) on the date that is not less than five (5) days prior to the original Outside Date (and any subsequent Outside Date), provided that such judgment is being appealed or such Regulatory Approval is actively sought, as applicable;

“Parties” means Contrans, Parent and the Offeror, and **“Party”** means any of them;

“Person” means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government (including any Government Entity), governmental agency or board or commission or authority, and any other form of entity or organization, whether or not a legal person;

“Pre-Acquisition Reorganization” has the meaning ascribed thereto in Section 4.10;

“Prohibited Payments” means any offer, gift, payment, promise to pay or authorization to pay money or anything of value to or for the use or benefit of any government official (including employees and directors of government-owned companies and other state enterprises), political party, party official, candidate for public office or employee of a public international organization in an effort to win or retain business or secure any improper advantage, except that the term does not include any payment to a government official, political party, party official, political candidate or employee of a public international organization that is expressly permitted under the written laws of the country involved, or any facilitating payment that is made solely to secure the provision of routine governmental services;

“Public Documents” means all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed or furnished by Contrans since December 31, 2012 with or to any applicable securities regulatory authority or the Exchange, including any financial statements or other documents, including any schedules included therein;

“Real Property” has the meaning ascribed thereto in Section 3.1(t);

“Real Property Encumbrances” means the Encumbrances over the Real Property disclosed in the Disclosure Letter;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, decisions, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the given notice without an objection being made) of Governmental Entities, including the Competition Act Approval and Transportation Act Approval;

“Release” has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Contaminant, whether accidental or intentional, into the environment;

“Remediation” means any investigation, clean-up, removal action, remedial action, restoration, repair, response action, corrective action, monitoring, sampling, and analysis, installation, reclamation, closure or post-closure in connection with a suspected, threatened or actual Environmental Condition;

“RSUs” means the restricted share units issued under the RSU Plan;

“RSU Plan” means Contrans’ Amended and Restated Restricted Share Unit Plan – 2010;

“Secured Lender Encumbrances” means the Encumbrances in favour of Contrans’ secured lenders disclosed in the Disclosure Letter;

“Securities Act” means the *Securities Act* (Ontario) and the rules and regulations made thereunder;

“Securities Laws” means the Securities Act and all other applicable securities laws, rules and regulations of the provinces and territories of Canada and published policies thereunder;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“Shareholders” means the holders of Shares;

“Shares” means, collectively, the Class A Shares and Class B Shares;

“Special Dividend” means a special dividend in respect of the sale of the Waste Transportation segment of Contrans, as referred to in Section 4.11, in an amount of forty cents (\$0.40) per Share;

“Stock Option Plan” means Contrans’ Subordinate Voting Share Option Plan effective on December 1, 2009, as amended on March 1, 2011;

“Subsequent Acquisition Transaction” has the meaning ascribed thereto in Section 2.4;

“Subsidiary” means a “subsidiary”, as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, of Contrans;

“Superior Proposal” means an unsolicited *bona fide* Acquisition Proposal made by a third party to Contrans in writing after the date hereof that:

- (a) did not result from a breach of Section 4.4 of this Agreement by Contrans or its representatives;
- (b) relates to the acquisition of all of the Shares (other than the Shares owned by the Person making the Acquisition Proposal together with its Affiliates) or to the acquisition, or a plan of arrangement, merger, business combination or similar transaction involving all or substantially all of the consolidated assets, of Contrans and its Subsidiaries;
- (c) is reasonably likely to be completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the party making the same;
- (d) which the Board after consultation with its legal and financial advisors has determined in good faith is either fully funded or is subject to adequate arrangements which have been made to ensure that the required funds to effect payment in full for all of the Shares or assets, as applicable, to be acquired pursuant thereto, are likely to be obtained;

- (e) is not subject to any due diligence condition; and
- (f) in respect of which the Board determines, in its good faith judgment, after receiving the advice of its legal and financial advisors, that (i) failure to recommend such Acquisition Proposal to the Shareholders would be inconsistent with its fiduciary duties under applicable Law, and (ii) having regard to all of its terms and conditions, such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction more favourable to the Shareholders from a financial point of view than the Offer;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations made thereunder;

“Taxes” means any and all domestic and foreign federal, provincial, territorial, state, municipal, regional and local taxes, assessments and other governmental charges, duties, impositions and liabilities imposed by any Governmental Entity, including Canada Pension Plan and provincial pension plan contributions, instalments, unemployment insurance contributions and employment insurance contributions, workers’ compensation and deductions at source, including taxes based on or measured by gross receipts, income, profits, sales, capital, use, and occupation, and including goods and services, value added, *ad valorem*, transfer, franchise, withholding, customs, payroll, recapture, employment, excise and property duties and taxes, together with all interest, penalties, fines and additions imposed with respect to such amounts;

“Tax Returns” means all reports, forms, elections, designations, schedules, statements, estimates, declarations of estimated tax, information statements and returns required to be filed with a Governmental Entity with respect to Taxes;

“Termination Fee” has the meaning ascribed thereto in Section 5.3;

“Transportation Act” means the *Canada Transportation Act* and the regulations made thereunder; and

“Transportation Act Approval” means receipt by the Offeror or Parent of (i) written confirmation from the Minister of Transport that in the Minister’s opinion the transactions contemplated by this Agreement do not raise issues with respect to the public interest as it relates to national transportation, or (ii) if the Minister of Transport is of the opinion that the transactions contemplated by this Agreement raise issues with respect to the public interest as it relates to national transportation, the approval of the Governor-in-Council on terms satisfactory to Parent, acting reasonably.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, Paragraphs, Schedules and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms **“hereof”** and **“hereunder”** and similar expressions refer to this Agreement and not to any particular Article, Section, Paragraph, Schedule or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections, Paragraphs and Schedules are to Articles, Sections and Paragraphs of, and Schedules to, this Agreement.

1.3 Number and Gender

In this Agreement, words importing the singular number include the plural and *vice versa*, and words importing any gender include all genders.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder by a party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes regulations made thereunder.

1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement in respect of Contrans shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature in respect of Contrans required to be made shall be made in a manner consistent with Canadian GAAP and past practice.

1.8 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Contrans, it shall be deemed to refer to the actual knowledge of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Director of Business Development of Contrans in their capacity as officers of Contrans and not in their personal capacity, after due and reasonable enquiry, and where any such representation or warranty is expressly qualified by reference to the knowledge of Parent or Offeror, it shall be deemed to respectively refer to the actual knowledge of the President of Parent or Offeror in his capacity as an officer of such Person and not in his personal capacity, after due and reasonable enquiry.

1.9 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A Conditions of the Offer

Schedule B Form of Lock-Up Agreement

ARTICLE 2
THE OFFER

2.1 Actions by Offeror

- (a) The Offeror agrees to make the Offer at an offer price of fourteen dollars sixty cents (\$14.60) per Share payable in cash (the “**Offer Price**”) and to mail the Offer Documents to all registered Shareholders as soon as reasonably practicable after the date hereof, and, in any event, on or prior to August 21, 2014 (the “**Offer Deadline**”). In the event that all conditions to the Offer have been satisfied or waived by the Offeror, the Offeror shall comply with the provisions of Section 4.11 and take up and pay for the Shares deposited under the Offer in accordance with Section 4.11. In making the Offer, the Offeror shall comply with the provisions of applicable Laws.
- (b) The Offer shall not be subject to any conditions other than the conditions set out in Schedule A. It is understood and agreed that the Offeror may, in its sole discretion, waive any condition to the Offer, provided that the Offeror shall not waive the Minimum Tender Condition without the prior written consent of Contrans. The Offeror shall not modify or vary the Offer or any terms or conditions thereof in a manner which is adverse in any way to the Shareholders without the prior written consent of Contrans. Notwithstanding the foregoing, the Offeror may waive the Minimum Tender Condition without the prior written consent of Contrans if there shall have been validly deposited pursuant to the Offer and not withdrawn, at the Expiry Time, (i) such number of Class A Shares which represents (A) at least sixty percent (60%) of the outstanding Class A Shares, and (B) at least forty-five percent (45%) of the outstanding Class A Shares the votes of which would be included in any minority approval of a Subsequent Acquisition Transaction pursuant to MI 61-101; and (ii) such number of Class B Shares which represents at least sixty percent (60%) of the outstanding Class B Shares, calculated in each case on a Fully-Diluted Basis.
- (c) The Offeror shall as soon as possible prepare the Offer Documents in English, and in French if required by Securities Laws, in compliance with Securities Laws. Prior to printing the Offer Documents, the Offeror shall provide Contrans and its counsel with a reasonable opportunity to review and comment on the Offer Documents, Contrans recognizing that whether or not such comments are appropriate will be determined by the Offeror, acting reasonably. The Offeror shall provide Contrans with a final copy of the Offer Documents prior to the mailing to registered Shareholders.
- (d) Unless the Offeror and Contrans shall mutually agree otherwise, the Offer shall expire at the Initial Expiry Time, subject to the right of the Offeror to extend from time to time the period during which Shares may be deposited under the Offer up to the Outside Date, subject to applicable Laws.

- (e) The obligation of the Offeror to make the Offer and mail the Offer Documents to Shareholders is conditional on the prior satisfaction of the following conditions, all of which conditions are included for the exclusive benefit of the Offeror and any or all of which may be waived by the Offeror in whole or in part in its sole discretion and without prejudice to any other rights it may have under this Agreement or otherwise:
- (i) no judgment of a court of competent jurisdiction enforceable against the Offeror, Parent or Contrans shall have been rendered, and no Law shall have been enacted, promulgated or applied, in either case, to enjoin, prohibit or impose material limitations on the purchase of Shares by the Offeror pursuant to the Offer, or the ability of the Offeror to exercise full rights of ownership of the Shares purchased pursuant to the Offer;
 - (ii) since the date hereof, there shall not have come into existence or have occurred any Material Adverse Effect, and no other change or event shall have occurred or fact or circumstance shall exist which would make it impossible to satisfy one or more of the conditions set out in Schedule A;
 - (iii) this Agreement shall not have been terminated by Contrans or by the Offeror or Parent in accordance with its terms;
 - (iv) the Lock-Up Agreements with the Locked-Up Shareholders shall have been entered into and shall remain in full force and effect, and no Locked-Up Shareholder shall be in material breach of its obligations thereunder;
 - (v) each of the representations and warranties of Contrans contained in Section 3.1 (A) that are qualified by a reference to a Material Adverse Effect shall be true and correct as of the time of the making of the Offer as if made at such time (except for those expressly stated to speak at or as of an earlier time, which shall be true and correct as of such time) and (B) that are not qualified by a reference to a Material Adverse Effect shall be true and correct as of the time of the making of the Offer as if made at such time (except for those expressly stated to speak at or as of an earlier time, which shall be true and correct as of such time), except for untrue or incorrect representations and warranties which, individually or in the aggregate, do not constitute a Material Adverse Effect;
 - (vi) Contrans shall have complied in all material respects with all of its covenants and obligations under this Agreement;
 - (vii) the Board shall not have withdrawn, modified or changed in a manner adverse to the Offeror its approval or recommendation of this Agreement or the Offer, or approved or recommended any Acquisition Proposal; and
 - (viii) the Offeror shall have received, not more than one (1) Business Day after Contrans receiving a notice in writing from the Offeror as to its intention to mail the Offer Documents, a certificate of Contrans, signed by two

senior officers (without personal liability), satisfactory to the Offeror, acting reasonably, certifying after reasonable inquiry that the conditions in paragraphs (ii), (v) and (vi) above have been satisfied.

2.2 Contrans Support for the Offer

- (a) Contrans represents and warrants to and in favour of the Offeror and Parent, and acknowledges that the Offeror and Parent are relying upon such representations and warranties in entering into this Agreement, that, as of the date of this Agreement:
 - (i) Cormark Securities Inc. has delivered a verbal opinion to the Board to the effect that the Offer Price is fair, from a financial point of view, to Shareholders, which opinion has been or will be set out in writing; and
 - (ii) the Board, after receiving financial and legal advice, has determined that the Offer is in the best interests of Contrans and has resolved to recommend that holders of the Shares accept the Offer.
- (b) Contrans shall prepare, in compliance with Securities Laws, print for distribution to Shareholders and deliver to the depositary of the Offer, at its offices in Toronto, Ontario on or before 9:00 a.m. (Toronto time) as soon as reasonably practicable after the date hereof, and, in any event, on or prior to the Offer Deadline (or such later date as may be agreed by the Parties, acting reasonably) for mailing with the Offer Documents, if practicable, a sufficient quantity of commercial copies of the Directors' Circular in English, and in French if required by Securities Laws, which contains a copy of the Fairness Opinion and the recommendation of the Board that Shareholders accept the Offer. Prior to printing the Directors' Circular, Contrans shall provide the Offeror and its counsel with a reasonable opportunity to review and comment on it, the Offeror recognizing that whether or not such comments are appropriate will be determined by Contrans, acting reasonably.
- (c) Contrans shall provide the Offeror, as soon as practicable and in any event within five (5) Business Days following the execution and delivery of this Agreement, with a list (in both written and electronic form) of the registered Shareholders, together with their addresses and respective holdings of Shares. Contrans shall concurrently provide the Offeror with a list of the names, addresses and holdings of all Persons having rights granted or issued by Contrans to acquire or receive Shares. Contrans shall from time to time request that its registrar and transfer agent furnish the Offeror with such additional information, including updated or additional lists of registered Shareholders, a list of participants in book-based nominee registrants (such as CDS & Co.) and other information and assistance as the Offeror may reasonably request in order to be able to communicate the Offer to the Shareholders and to such other Persons as are entitled to receive the Offer, in each case in accordance with applicable Laws.

2.3 Shareholder Communications

Except as required by applicable Law or by the Exchange, none of Contrans, the Offeror or Parent shall make any public announcement or statement with respect to the Offer or this Agreement (except in respect of an Acquisition Proposal) without the approval of the Offeror and Parent or Contrans, respectively, such approval not to be unreasonably withheld or delayed. Moreover, in any event, each Party agrees to give prior notice to the other of any public announcement relating to the Offer or this Agreement (except in respect of an Acquisition Proposal) and agrees to consult with each other prior to issuing each such public announcement. Each of the Offeror and Contrans agrees that, promptly after the entering into of this Agreement, it shall issue, or cause the issuance of, a press release announcing the entering into of this Agreement and the Offeror's intention to make the Offer, which press release shall be satisfactory in form and substance to the other Party, acting reasonably.

2.4 Compulsory Acquisition and Subsequent Acquisition Transaction

If within one hundred twenty (120) days after the date of the Offer, the Offer has been accepted by Shareholders holding not less than ninety percent (90%) of the outstanding Class A Shares, excluding Class A Shares, if any, held at the date of the Offer by or on behalf of the Offeror or an Affiliate or an associate of the Offeror, the Offeror shall, to the extent possible, acquire the remainder of the Class A Shares from those Shareholders who have not accepted the Offer pursuant to Section 188 of the OBCA (a "**Compulsory Acquisition**"). If a Compulsory Acquisition is not available, the Offeror shall pursue other lawful means of acquiring the remaining Class A Shares not tendered to the Offer as soon as possible, but in any event, not later than sixty (60) days after the Expiry Time. The foregoing shall apply to the Class B Shares *mutatis mutandis*. Contrans agrees that, in the event that (a) the Minimum Tender Condition is met and (b) the Offeror takes up and pays for all Shares tendered under the Offer, it will assist the Offeror in connection with any proposed amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Contrans and the Offeror or Parent, an Affiliate or an Associate of the Offeror or Parent that the Offeror or Parent may, in their sole discretion, undertake (a "**Subsequent Acquisition Transaction**") to acquire the remaining Shares, provided that the consideration per Share offered in connection with the Subsequent Acquisition Transaction shall be equal to the Offer Price.

2.5 Waiver of Standstill

The Parties hereby agree to terminate any standstill provisions contained in the Non-Disclosure Agreement from the date hereof. In all other respects, the provisions of the Non-Disclosure Agreement shall continue to apply notwithstanding the execution of this Agreement by the Parties or the announcement of the transactions contemplated hereunder, unless the Offeror takes up and pays for the Shares pursuant to the Offer, in which case the Non-Disclosure Agreement shall be automatically terminated without further action.

2.6 Stock Option Plan

Contrans shall give the written notice contemplated by Section 3.1 of the Stock Option Plan and shall permit the exercise of all unexercised Options in accordance with the terms and conditions

of the Stock Option Plan. In addition, subject to regulatory approval, Contrans may make such amendments to the Stock Option Plan, waive such conditions under the Stock Option Plan and take all such other steps as may be necessary or desirable to allow all holders of Options to effect a “cashless” exercise of their Options (subject to any applicable withholding tax) all on terms and in a manner acceptable to Contrans but so as to provide the rights to the Special Dividend to be available to such exercising holders of Options. Contrans shall use commercially reasonable efforts to cause all Options that have not been exercised on or prior to the Effective Date to be cancelled and forfeited by the holders thereof as of the Effective Date, without any compensation to such holders.

2.7 Directors

Contrans shall, promptly following the time at which the Offeror takes up for purchase such number of Class A Shares and Class B Shares as represents at least 66^{2/3}% of the then-outstanding Class A Shares and Class B Shares, respectively, on a Fully-Diluted Basis, and from time-to-time thereafter, at the request of the Offeror, cooperate with the Offeror and Parent and use its reasonable commercial efforts, subject to applicable Law, to secure the resignations of the then-incumbent directors and use commercially reasonable efforts to facilitate the Offeror’s designees to be elected or appointed to the Board.

2.8 Lock-Up Agreements

Contrans acknowledges and consents to the Offeror and Parent entering into the Lock-Up Agreements with the Locked-Up Shareholders and acknowledges and consents to the Offeror and Parent entering into Lock-Up Agreements with other Shareholders after the date hereof.

2.9 Performance of the Offeror

Parent hereby unconditionally and irrevocably guarantees and covenants and agrees to be jointly and severally responsible for the due and punctual performance of each and every obligation of the Offeror arising under this Agreement, including the making of the Offer, subject to the terms and conditions of this Agreement.

2.10 Holdco Alternative

- (a) Subject to receipt of all required Regulatory Approvals, the Offeror will permit persons (“**Qualifying Holdco Shareholders**”) that, (a) are resident in Canada for purposes of the Tax Act (including a partnership if all of the members of the partnership are resident in Canada), (b) are not exempt from tax under Part I of the Tax Act, (c) own Shares directly or indirectly, and (d) elect in respect of such Shares, by notice in writing provided to the Offeror (or the depositary) not later than 5:00 p.m. (Toronto time) on the date that is fifteen (15) days prior to the Expiry Time (the “**Holdco Election Date**”), to sell all of the issued shares (“**Qualifying Holdco Shares**”) of a corporation (“**Qualifying Holdco**”) (the “**Holdco Alternative**”), provided that:
 - (i) such Qualifying Holdco was incorporated on or after July 1, 2014 under the OBCA;

- (ii) such Qualifying Holdco is a single purpose corporation that has not carried on any business, has never had any employees, has not held and does not have any right or interest in any property or assets of any kind whatsoever other than the Shares and a limited amount of cash and has never entered into any transaction other than those relating to and necessary for the ownership of Shares or with the Offeror's consent such other transactions as are necessary to facilitate those transactions described in this Agreement;
- (iii) at the time at which the Offeror takes up and pays for the Qualifying Holdco Shares of a Qualifying Holdco (the "**Qualifying Holdco Closing Time**"), such Qualifying Holdco has no liabilities or obligations of any kind whatsoever, including Taxes resulting from the implementation of the Holdco Alternative (except to the Offeror under the terms of a Qualifying Holdco Agreement (as defined below));
- (iv) at the Qualifying Holdco Closing Time, such Qualifying Holdco will not have declared or paid any dividends or other distributions other than a dividend deemed to arise on an increase in stated capital or through the issuance of a promissory note with a determined principal amount, which promissory note shall have been recontributed to the Qualifying Holdco solely in consideration for shares of the Qualifying Holdco and shall no longer be outstanding as of the Qualifying Holdco Closing Time;
- (v) at the Qualifying Holdco Closing Time, such Qualifying Holdco will not have or will not generate any Low Rate Income Pool (LRIP) when becoming a non-Canadian-controlled private corporation (CCPC);
- (vi) such Qualifying Holdco shall have no shares outstanding other than the Qualifying Holdco Shares being sold to the Offeror by the Qualifying Holdco Shareholder, who shall be the sole registered and beneficial owner of such shares free and clear of all Encumbrances, and no other person shall acquire or have any option, warrant or other right to acquire any securities of such Qualifying Holdco and such Qualifying Holdco Shareholder directly or indirectly shall have been the sole legal and beneficial owner of such Shares since the incorporation of Holdco, or such later date as the Offeror may determine in its sole discretion;
- (vii) at all times such Qualifying Holdco shall be a resident of Canada for the purposes of the Tax Act and shall not be a resident of, and shall have no taxable presence in, any other country;
- (viii) such Qualifying Holdco shall have not more than three directors and three officers and shall not have any employees other than such directors and officers;

- (ix) the Qualifying Holdco Shareholder shall at its cost and in a timely manner prepare and file all Tax Returns (including applicable rollover forms) of such Qualifying Holdco in respect of all taxation years of such Qualifying Holdco and any of its predecessors ending prior to the acquisition of such Qualifying Holdco Shares and any of its predecessors by the Offeror, subject to the Offeror's right to receive all the supporting documentation and approve all such Tax Returns as to form and substance, which shall not be unreasonably delayed or withheld;
- (x) the Qualifying Holdco Shareholder (or, if the Qualifying Holdco Shareholder or any shareholder thereof is a legal entity, the ultimate individual beneficial owner of such Qualifying Holdco Shareholder or affiliated entity) shall indemnify the Offeror, the Qualifying Holdco and Contrans, and any successor thereof, for any and all liabilities (including Taxes that may result from the implementation of the Holdco Alternative and related counsel fees and expenses) of the Qualifying Holdco and any of its predecessors in respect of any matter, including governmental audit associated costs occurring prior to or in respect to periods before the acquisition of such Qualifying Holdco Shares by the Offeror in a form satisfactory to the Offeror acting reasonably;
- (xi) the Qualifying Holdco Shareholder will provide the Offeror with copies of all documents necessary to effect the transactions contemplated herein on or before the date that is fifteen (15) days prior to the Expiry Time, the completion of which will comply with applicable Laws (including Securities Laws) at or prior to the Qualifying Holdco Closing Time;
- (xii) the entering into or implementation of the Holdco Alternative will not result in any delay in completing any other transaction contemplated by this Agreement;
- (xiii) access to the books and records of such Qualifying Holdco and any of its predecessors shall have been provided on or before the date that is fifteen (15) days prior to the Expiry Time and the Offeror and its counsel shall have completed their due diligence regarding the business and affairs of such Qualifying Holdco;
- (xiv) the terms and conditions of such Holdco Alternative and the Holdco Agreements (as defined below) must be satisfactory to the Offeror and Contrans, acting reasonably, and must include representations and warranties which are satisfactory to the Offeror and Contrans, each acting reasonably;
- (xv) the Qualifying Holdco Shareholder must properly complete and duly sign a letter of transmittal (in a form to be provided upon request from the depositary) in respect of the Qualifying Holdco Shares that it will hold, and deliver such letter of transmittal together with the certificates

representing the Qualifying Holdco Shares and the Shares held by the Qualifying Holdco to the depositary prior to the Expiry Time;

- (xvi) the Qualifying Holdco Shareholder agrees that the rights and the obligations of the Offeror under the Qualifying Holdco Agreement will terminate if the conditions to the Offer that are for the benefit of the Offeror or Parent are not satisfied or waived prior to the Expiry Time;
 - (xvii) the Qualifying Holdco Shareholder will be required to pay all reasonable out-of-pocket expenses and legal fees incurred by the Offeror or Contrans in connection with the Holdco Alternative, including any reasonable costs associated with any due diligence conducted and any consultation with legal and tax advisors by the Offeror;
 - (xviii) the Qualifying Holdco Shareholder will be required to indemnify the Offeror for any Taxes or penalties resulting from any transaction or event occurring prior to the acquisition of such Qualifying Holdco Shares by the Offeror;
 - (xix) the Qualifying Holdco Shareholder and the Offeror shall agree that the Offeror or the Qualifying Holdco Shareholder may require that the Qualifying Holdco make the election provided in subsection 256(9) of the Tax Act and its provincial equivalent, if applicable, in respect of the acquisition of control of the Qualifying Holdco by the Offeror; and
 - (xx) the Qualifying Holdco Shareholder shall not knowingly take any action or knowingly permit inaction or knowingly enter into any transaction, in each case other than in the ordinary course, that could reasonably be expected to have the effect of materially reducing or eliminating the amount of the tax cost “bump” pursuant to paragraphs 88(1)(c) and 88(1)(d) of the Tax Act in respect of the securities of Contrans, any Affiliates of Contrans or any Subsidiary and other non-depreciable capital property owned by Contrans or any of the Subsidiaries on the date hereof, upon an amalgamation or winding-up of the Qualifying Holdco, Contrans or any of the Subsidiaries (or any of their respective successors).
- (b) Any Qualifying Holdco Shareholder who elects the Holdco Alternative will be required to make full disclosure to the Offeror of all transactions involved in such Holdco Alternative.
- (c) Each Qualifying Holdco Shareholder that has elected the Holdco Alternative will be required to enter into a share purchase agreement and other ancillary documentation (collectively, the “**Holdco Agreements**”) providing for the acquisition of all issued and outstanding shares of the Qualifying Holdco by the Offeror containing representations, warranties and covenants acceptable to the Offeror, acting reasonably, including, for greater certainty, reasonable covenants

by the Qualifying Holdco Shareholder to ensure that the provisions of Section 2.10(xx) are respected.

- (d) Upon request by a Qualifying Holdco Shareholder, the Offeror may in its sole discretion agree to waive any of the requirements described in this Section 2.10.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties by Contrans

Contrans hereby represents and warrants to the Offeror and Parent as follows, and confirms that the Offeror and Parent are relying upon the accuracy of each of such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization. Each of Contrans and the Subsidiaries has been incorporated or formed and is validly subsisting under the Laws of the jurisdiction in which it was incorporated or formed and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Each of Contrans and the Subsidiaries is registered, licensed or otherwise qualified as an extra-provincial corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect. All of the outstanding shares of Contrans and the Subsidiaries are duly authorized, validly issued, fully paid and non-assessable. All of the outstanding shares of the Subsidiaries are owned directly or indirectly by Contrans. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the applicable Subsidiary, the outstanding securities of the Subsidiaries are owned free and clear of all Encumbrances other than the Secured Lender Encumbrances and neither Contrans nor any of the Subsidiaries is liable to any Person in respect thereof. Other than the Subsidiaries, Contrans does not have any investment or proposed investment in any Person which, for the financial year ended December 31, 2013 accounted for, or which, for the financial year ending December 31, 2014 is expected to account for, more than five percent (5%) of the consolidated assets or consolidated revenues of Contrans or would otherwise be material to the business and affairs of Contrans on a consolidated basis.
- (b) Capitalization. Contrans is authorized to issue an unlimited number of Class A Shares and, as of the date hereof, 1,382,724 Class B Shares. As at the date hereof, there are: (i) 32,646,635 Class A Shares and 1,382,724 Class B Shares outstanding, and (ii) Options outstanding in respect of an aggregate of 1,241,500 Class A Shares under the Stock Option Plan. Except as disclosed in the Disclosure Letter, there are no options, warrants, conversion privileges or other securities, rights, agreements, arrangements, entitlements, understandings or commitments (pre-emptive, contingent or otherwise) obligating Contrans or any

of the Subsidiaries to issue or sell any shares of Contrans or any of the Subsidiaries or any securities or obligations of any kind convertible into or exchangeable for any shares of Contrans or any of the Subsidiaries. There are no outstanding bonds, debentures or other evidences of indebtedness of Contrans or any of the Subsidiaries having the right to vote with the Shareholders on any matter. Other than pursuant to the articles of Contrans, there are no rights of first refusal or similar rights restricting the transfer of Shares contained in any shareholders', partnership, joint venture or similar agreements to which Contrans is a party or pursuant to existing financing agreements to which Contrans is a party and there are no outstanding contractual obligations of Contrans or of any of the Subsidiaries to repurchase, redeem or otherwise acquire any outstanding Shares or with respect to the voting or disposition of any outstanding Shares.

- (c) Authority. Contrans has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Contrans as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Contrans and the completion by Contrans of the transactions contemplated by this Agreement have been authorized by the directors of Contrans and no other corporate proceedings on the part of Contrans are necessary to authorize this Agreement. This Agreement has been executed and delivered by Contrans and constitutes a legal, valid and binding obligation of Contrans, enforceable against Contrans in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, subject to general principles of equity and subject to compliance with the Competition Act and Transportation Act. The execution and delivery by Contrans of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
- (i) result in a violation, contravention or breach of, require any consent to be obtained or notice under, constitute a default or give rise to the right to receive any extraordinary or accelerated payment or any suspension, revocation or termination rights under any provision of,
 - (A) the articles or by-laws (or their equivalent) of Contrans or any of the Subsidiaries,
 - (B) assuming, if required, each of the Competition Act Approval and Transportation Act Approval is obtained, any applicable Laws except as disclosed in the Disclosure Letter, or
 - (C) except as disclosed in the Disclosure Letter, any note, bond, mortgage, indenture, loan agreement, deed of trust agreement, contract, agreement, licence or permit to which Contrans or any of the Subsidiaries is bound or is subject or of which Contrans or any Subsidiary is the beneficiary,

that would, individually or in the aggregate, have a Material Adverse Effect;

- (ii) result in the imposition of any Encumbrance upon any of the property or assets of Contrans or any of the Subsidiaries, or restrict, hinder, impair or limit the ability of Contrans or any of the Subsidiaries to conduct its business as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect;
 - (iii) except as disclosed in the Disclosure Letter, result in any payment (including termination, severance, unemployment compensation, change of control, “golden parachute”, bonus or otherwise) becoming due to any Employee, director, officer or consultant of Contrans or of any Subsidiary (whether automatically or solely upon further action on the part of such director, officer, consultant or Employee) or increase any benefits otherwise payable under any Employee Plan or result in the acceleration of the time of payment or vesting of any such benefits; or
 - (iv) violate any judgment, ruling, order, writ, injunction, award, decree, statute, ordinance, rule or regulation applicable to Contrans or any of the Subsidiaries or to any of their respective properties or assets, except violations which would not, individually or in the aggregate, have a Material Adverse Effect.
- (d) Governmental Authorizations. No consent, approval, order or authorization of, or declaration or filing with, or waiver of any right of, any Governmental Entity is required to be obtained or made by Contrans or any of the Subsidiaries in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein other than (i) the Regulatory Approvals, (ii) filings with and approvals required by any Governmental Entity and the Exchange, and (iii) any other consent, waiver, permit, order or approval which if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect or a material impact on the completion of the Offer or any other transaction contemplated herein.
- (e) Other Authorizations. Except as set out in the Disclosure Letter:
- (i) each of Contrans and the Subsidiaries holds all permits, licenses, qualifications, authorizations and Environmental Approvals necessary or required to carry on or conduct its business as currently conducted, except where the failure to hold such permits, licenses, qualifications, authorizations or Environmental Approvals would not, individually or in the aggregate, have a Material Adverse Effect;
 - (ii) to the knowledge of Contrans, all such permits, licenses, qualifications, authorizations and Environmental Approvals are in full force and effect, except as would not, individually or in the aggregate, have a Material

Adverse Effect and, to the knowledge of Contrans, no event has occurred or circumstance exists that may constitute or result in a violation of such permits, licenses, qualifications, authorizations or Environmental Approvals, except where such violation would not, individually or in the aggregate, have a Material Adverse Effect; and

- (iii) no proceedings are pending or, to the knowledge of Contrans, threatened which would result in the revocation or limitation of any such permits, licenses, qualifications, authorizations or Environmental Approvals, except as would not, individually or in the aggregate, have a Material Adverse Effect, and all steps have been taken and filings made on a timely basis with respect thereto (including renewals), except where the failure to take such steps and make such filings would not, individually or in the aggregate, have a Material Adverse Effect.
- (f) Directors' Approvals. The Board has received an oral opinion from Cormark Securities Inc., the financial advisor to the Board, that the Offer is fair, from a financial point of view, to the Shareholders other than Parent and its affiliates and the Board has, after consultations with Contrans' financial and legal advisors and based upon such opinion, unanimously:
 - (i) determined that the Offer is fair from a financial point of view to the Shareholders other than Parent and its affiliates and that the Offer is in the best interests of Contrans and the Shareholders other than Parent and its Affiliates;
 - (ii) recommended that the Shareholders accept the Offer and deposit their Shares under the Offer; and
 - (iii) authorized the entering into of this Agreement by Contrans and the performance by Contrans of its obligations hereunder.
- (g) Subsidiaries. All of the Subsidiaries are set out in the Disclosure Letter.
- (h) No Defaults. Neither Contrans nor any of the Subsidiaries is in default under, and, to the knowledge of Contrans, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any contract, agreement or licence to which any of them is a party or by which any of them is bound which would, individually or in the aggregate, have a Material Adverse Effect.
- (i) Absence of Changes. Since December 31, 2013, except as publicly disclosed in the Public Documents filed on SEDAR prior to the date hereof, or disclosed in the Disclosure Letter and other than pursuant to the Offer and the other transactions contemplated in this Agreement:
 - (i) Contrans and each of the Subsidiaries has conducted its business only in the Ordinary Course;

- (ii) Contrans has not incurred or suffered a Material Adverse Effect and there has not been any event, circumstance or occurrence which has had or is reasonably likely to give rise to a Material Adverse Effect;
- (iii) there has not been any acquisition or sale by Contrans or any of the Subsidiaries of any material property or material assets;
- (iv) there has not been any incurrence, assumption or guarantee by Contrans or any of the Subsidiaries of any debt for borrowed money, any creation or assumption by Contrans or any of the Subsidiaries of any Encumbrance, any making by Contrans or any of the Subsidiaries of any loan, advance or capital contribution to, or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Contrans or any of the Subsidiaries of any contract, agreement, licence, lease transaction, commitment or other right or obligation other than in the Ordinary Course or which would not, individually or in the aggregate, have a Material Adverse Effect;
- (v) Contrans has not declared or paid any dividends or made any other distribution on any of the Shares or redeemed, repurchased or otherwise acquired any Shares;
- (vi) Contrans has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Shares;
- (vii) other than in the Ordinary Course, there has not been any material increase in or modification of the compensation payable to or to become payable by Contrans or any of the Subsidiaries to any Employee or to any of their respective directors, officers or consultants, or any grant to any Employee or any such director, officer or consultant of any material increase in severance or termination pay or any material increase or modification of any Employee Plan (including the granting of Options or RSUs pursuant to the Stock Option Plan and RSU Plan, respectively) made to, for or with any of such Employees, directors, officers or consultants;
- (viii) Contrans has not effected any material change in its accounting methods, principles or practices or its interpretations thereof;
- (ix) there has not occurred any amendment or proposed amendment to the articles or by-laws of Contrans;
- (x) there has not occurred any material damage, destruction or loss in respect of Contrans or any Subsidiary or any of their respective properties and assets that is not fully covered by insurance (subject to normal deductibles); and
- (xi) neither Contrans nor any Subsidiary has agreed to do any of the foregoing.

- (j) No Insolvency. Except as set out in the Disclosure Letter, neither Contrans nor any Subsidiary is insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance laws. Except as set out in the Disclosure Letter, to the knowledge of Contrans, no act or proceeding has been taken or is threatened by or against Contrans or any Subsidiary in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Contrans or any Subsidiary or the appointment of a trustee, receiver, manager or other administrator of Contrans or any Subsidiary or any of their respective properties or assets. Neither Contrans nor any Subsidiary has sought protection under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or similar Laws in any other jurisdiction.
- (k) Employment Matters.
 - (i) a list of all Employees of Contrans and the Subsidiaries as of the date of this Agreement setting forth the position, status, date of hire and location of employment, as well as copies of any executed employment agreements with such Employees as of the date of this Agreement have been provided to the Offeror;
 - (ii) a list of all consultants of Contrans and the Subsidiaries as of the date of this Agreement setting forth the position, date and duration of engagement and compensation of each consultant has been provided to the Offeror. All such consultants have executed independent contractor agreements, copies of which have been provided to the Offeror;
 - (iii) except as disclosed in the Disclosure Letter, neither Contrans nor any of the Subsidiaries is a party to or bound by any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to any Employee, consultant, director or officer of Contrans or any Subsidiary or any employment, service, consulting or other agreement with any Employee, consultant, director or officer of Contrans or any of the Subsidiaries which provides for termination of employment or of the contract, as the case may be, on more than six (6) months' notice (excluding such as results by Law from the employment of an employee without an agreement as to notice or severance); and
 - (iv) there are no material overdue payments or outstanding loans to Employees (including any amounts related to unused or accrued vacation days).
- (l) Collective Agreements.
 - (i) neither Contrans nor any of the Subsidiaries is a party to any collective bargaining agreement, contract or legally-binding commitment with any trade union or employee organization or group in respect of or affecting any Employees;

- (ii) neither Contrans nor any of the Subsidiaries is currently engaged in any organized labour negotiation;
 - (iii) neither Contrans nor any of the Subsidiaries is a party to any material application, claim, complaint, grievance, arbitration or other proceeding by or respecting any Employees or former Employees under any Laws or before any Governmental Entity, including any application for certification or which otherwise involves the recognition of any trade union or similar employee organization as the bargaining agent of any of the Employees, or any unfair labour practice complaint;
 - (iv) neither Contrans nor any of the Subsidiaries is currently engaged in any unfair labour practice nor is Contrans aware of any pending or threatened complaint regarding any alleged unfair labour practices;
 - (v) there is no strike, labour dispute, work slowdown or stoppage against or involving Contrans or any of the Subsidiaries nor, to the knowledge of Contrans, are any strikes, labour disputes, work slowdowns or stoppages pending or threatened against Contrans or any of the Subsidiaries;
 - (vi) neither Contrans nor any of the Subsidiaries has experienced any material work stoppage in the two (2) years immediately preceding the date of this Agreement; and
 - (vii) to the knowledge of Contrans, neither Contrans nor any of the Subsidiaries is, nor has it been in the two (2) years preceding the date of this Agreement, the subject of any union organization effort or campaign or similar organization effort by any employee organization or group in respect of or affecting any Employees.
- (m) Intellectual Property.
- (i) the Disclosure Letter sets out a true, accurate and complete list of all material registered Intellectual Property Rights owned or used by Contrans or any of the Subsidiaries as of the date hereof. Except as would not, individually or in the aggregate, have a Material Adverse Effect (A) all of the Intellectual Property Rights owned or, to the knowledge of Contrans, used by Contrans or any of the Subsidiaries as of the date hereof are valid, enforceable and subsisting, and (B) the Intellectual Property Rights owned by or licensed to Contrans or the Subsidiaries include all of the intellectual property rights necessary to conduct the business of Contrans and the Subsidiaries in the manner in which such business is currently being conducted;
 - (ii) to the knowledge of Contrans, as of the date hereof, neither Contrans nor any Subsidiary is being sued or charged in writing with or is a defendant in any claim, suit, action or proceeding that involves a claim of infringement of any intellectual property right, and Contrans has no

knowledge of any other claim of infringement of an intellectual property right by Contrans or any Subsidiary, and no knowledge of any continuing infringement by any other Person of any Intellectual Property Right, all except as would not, individually or in the aggregate, have a Material Adverse Effect;

- (iii) to the knowledge of Contrans, the current use by Contrans and the Subsidiaries of the Intellectual Property Rights does not infringe the rights of any other Person, except as would not, individually or in the aggregate, have a Material Adverse Effect; and
 - (iv) Contrans or one or more of the Subsidiaries have good and valid title to all Intellectual Property Rights they own, except as would not, individually or in the aggregate, have a Material Adverse Effect, and, to the knowledge of Contrans, any licenses by which Intellectual Property Rights are licensed to or from Contrans or the Subsidiaries are, in all material respects, in full force and effect, and there are no outstanding defaults or breaches under any of them, except where such default or breach would not, individually or in the aggregate, have a Material Adverse Effect.
- (n) Computer Systems and Software. The computer systems, Hardware and Software of Contrans and the Subsidiaries including personal computers and special purpose systems (including billing systems, operational support systems and business support systems) are fully operational in all material respects. For the purposes hereof, “**Hardware**” means the computer hardware, mainframes, personal computers, servers, client/server stations, network equipment, routers, semi-conductor chips, embedded Software, communication lines and other equipment, and “**Software**” means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, development tools, and other instructions or sets of instructions for Hardware or Software to follow, including SQL and other query languages, hypertext markup language (“**html**”), wireless markup language, xml and other computer markup languages, in object, source or other code.
- (o) Financial Matters.
- (i) The audited consolidated financial statements of Contrans as at and for the fiscal years ended December 31, 2013 and 2012 (including the notes thereto) and Contrans’ unaudited consolidated financial statements as at and for the three months ended March 31, 2014 (including the notes thereto) were prepared in accordance with Canadian GAAP, consistently applied, and fairly present in all material respects the consolidated financial condition of Contrans at the respective dates indicated and the results of operations of Contrans for the periods covered on a consolidated basis (subject, in the case of any unaudited interim consolidated financial statements, to normal period-end adjustments and except as may otherwise be indicated in such financial statements, including the notes thereto, or in

the related report of Contrans' auditors, as applicable) and reflect adequate provision for the material liabilities of Contrans on a consolidated basis in accordance with Canadian GAAP. Neither Contrans nor any of the Subsidiaries has any liability or obligation (including liabilities or obligations to fund any operations or work, to give any guarantees or for Taxes) of the type required to be reflected as liabilities on a balance sheet prepared in accordance with Canadian GAAP not reflected in the consolidated financial statements of Contrans for the three months ended March 31, 2014, except liabilities and obligations incurred in the ordinary and regular course of business since December 31, 2013 and liabilities and obligations incurred in connection with the Offer and the transactions related thereto. Contrans is able to pay its liabilities as they become due; the realizable value of the assets of Contrans is not less than the aggregate of the liabilities thereof and the stated capital of all classes of shares thereof;

- (ii) Subject to the limitations set out in the Public Documents, the management of Contrans has established and maintained a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by Contrans in its annual filings, interim filings or other reports filed or submitted by it under applicable Securities Laws is reported within the time periods specified in such Laws;
 - (iii) As of the date hereof, neither Contrans nor any of the Subsidiaries nor, to the knowledge of Contrans, any director, officer, employee, auditor or accountant of Contrans or any of the Subsidiaries has received or otherwise obtained knowledge of any complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of Contrans or any of the Subsidiaries or their respective internal accounting controls, including any complaint, allegation, assertion or claim that Contrans or any of the Subsidiaries has engaged in questionable accounting or auditing practices, which would be expected to materially adversely affect the integrity of Contrans' financial reporting and which has not been resolved to the satisfaction of the Audit Committee of the Board; and
 - (iv) As at July 31, 2014, Contrans' net debt shall not exceed [*method for calculating the net debt of Contrans omitted, based in part on certain forward-looking information*].
- (p) No Prohibited Payments. Neither Contrans, nor any Subsidiary, nor, to the knowledge of Contrans, any officer, director, Employee, shareholder, agent or other Person acting on behalf of Contrans or any Subsidiary, (i) has made any Prohibited Payments, (ii) has received any payments, services or gratuities that were not legal to receive, (iii) has engaged in any transactions or made or received payments that were not properly recorded on the accounting books and records of

Contrans or any Subsidiary or properly disclosed on their respective financial statements, or (iv) has maintained any off-book bank or cash account.

- (q) Books and Records. The corporate records and minute books of Contrans and, since the date each Subsidiary was acquired or incorporated by Contrans, the corporate records and minute books of the Subsidiaries have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects. Other than in connection with the transactions contemplated by this Agreement, the minute books of Contrans and the Subsidiaries provided to the Offeror and Parent for review are true and complete in all material respects and the minutes and documents contained therein have not been amended or supplemented in any material respect since the time of such provision. Financial books and records and accounts of Contrans and the Subsidiaries in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Contrans and the Subsidiaries, and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Contrans.
- (r) Litigation. As of the date hereof and except as disclosed in the Disclosure Letter, there is no complaint, claim, action, suit, audit, grievance, assessment, proceeding or investigation pending or in progress or, to the knowledge of Contrans, threatened against or relating to Contrans or any of the Subsidiaries or affecting any of their respective properties, permits, licences or assets at law or equity before any Governmental Entity or before any other Person which, individually or in the aggregate, would prevent or hinder the consummation of the transactions contemplated herein or which, individually or in the aggregate, involve the possibility of any judgment or liability which would have a Material Adverse Effect.
- (s) Insurance. Contrans and the Subsidiaries maintain policies of insurance in amounts and in respect of such risks as Contrans reasonably has determined to be commercially reasonable having regard to the industries in which Contrans and the Subsidiaries operate and as required in accordance with their respective licences and permits, and to the knowledge of Contrans such policies are in full force and effect in all material respects as of the date hereof and will not be cancelled, revoked or otherwise terminated as a result of the completion of the Offer.
- (t) Real Property. The real property owned by Contrans and the Subsidiaries is listed in the Disclosure Letter (the real property described therein being referred to as the “**Real Property**”). Except as set out in the Disclosure Letter, neither Contrans nor any of the Subsidiaries owns or has agreed to acquire any other real property or interest in real property. Contrans or one or more of the Subsidiaries is the legal and beneficial owner of all Real Property, and subject to any lease entered into with respect to the Real Property, have the exclusive right to possess, use and occupy, and have good and marketable title in fee simple to, all the Real

Property free and clear of all Encumbrances, other than the Real Property Encumbrances and such defects in title or Encumbrances that, individually or in the aggregate, do not have a Material Adverse Effect and, together with the rights of Contrans and the Subsidiaries in respect of the Leased Real Properties, no other real property rights are necessary for the conduct of the business of Contrans and the Subsidiaries as currently conducted. There are no matters affecting the right, title and interest of Contrans or any Subsidiary in and to any Real Property which, individually or in the aggregate, would materially and adversely affect the ability of Contrans and the Subsidiaries to carry on business upon the Real Property as it has been carried on in the Ordinary Course. All buildings, structures, improvements and appurtenances situated on the Real Property are in good operating condition and in a state of good maintenance and repair and are adequate and suitable for the purposes for which they are currently being used, with such exceptions as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect. The current uses of all Real Property are permitted, in all material respects, under current zoning and land use regulations and applicable Laws and Contrans has no knowledge of any proposed or pending changes to any zoning regulation or official plan affecting any Real Property or of any expropriation or condemnation or similar proceeding pending or threatened against any Real Property. Contrans is not aware of any claim or the basis for any claim that could adversely affect its or any Subsidiaries' right to use, transfer or otherwise exploit any Real Property and neither Contrans nor any Subsidiary has any obligation to pay any material commission, royalty, license fee or similar payment to any Person with respect to the property rights in respect thereof.

- (u) Leased Property. The real property leases entered into by Contrans and the Subsidiaries listed in the Disclosure Letter are all of the leases relating to all lands and premises leased by Contrans and the Subsidiaries (collectively, "**Leased Real Properties**") in conducting their respective activities, and are in full force and effect, and Contrans and such Subsidiaries are entitled to all rights and benefits thereunder in accordance with the terms thereof, with such exceptions as would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect. Except as disclosed in the Disclosure Letter, there are no written or oral subleases or other contracts granting to any other Person the right of use or occupancy of any of the Leased Real Properties (or any portion thereof). Contrans has made available to Offeror and Parent copies of all such leases and subleases. Neither Contrans nor any of the Subsidiaries has received written notice that any party to any such lease intends to cancel, terminate or otherwise modify or not renew such lease, and to the knowledge of Contrans, no such action has been threatened. Neither Contrans nor any of the Subsidiaries is in default of any of the provisions of any such leases or is aware of any fact that would give rise to a default, nor has such default been alleged, other than such defaults or alleged defaults that would not, individually or in the aggregate, result in a Material Adverse Effect.
- (v) Personal Property. Each of Contrans and the Subsidiaries owns all personal property owned by it and used in its business as currently conducted free and clear

of all Encumbrances, other than for the Secured Lender Encumbrances or as would not materially affect or interfere with the use made and proposed to be made of such property by Contrans and the Subsidiaries; and all personal property held under lease by Contrans and the Subsidiaries is held under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made of such property by Contrans and the Subsidiaries and, to the knowledge of Contrans, neither Contrans nor any of the Subsidiaries has received written notice that any party to any such lease intends to cancel, terminate or otherwise modify or not renew such lease, and to the knowledge of Contrans, no such action has been threatened, in each case, except as would not, individually or in the aggregate, result in a Material Adverse Effect. Neither Contrans nor any of the Subsidiaries is in default, or is aware of any fact that would give rise to a default, of any of the provisions of any such leases nor has such default been alleged, other than such defaults or alleged defaults that would not, individually or in the aggregate, result in a Material Adverse Effect.

- (w) Condition of Real Property, Leased Real Properties and Tangible Property. All Real Property, Leased Real Properties and tangible personal property of Contrans and each Subsidiary is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and budgeted repair or replacement.
- (x) Environmental. Except as would not individually or in the aggregate have a Material Adverse Effect:
 - (i) to the knowledge of Contrans, neither Contrans nor any of the Subsidiaries is in violation of, or has violated or has any liability under, any Environmental Law and there are no facts, circumstances or conditions existing, initiated or occurring prior to the Effective Date which could result in liability under any Environmental Laws;
 - (ii) to the knowledge of Contrans (A) neither Contrans nor any Subsidiary has received any notice, demand, claim or request for information or other written communication alleging that Contrans or any Subsidiary (i) is actually, potentially or allegedly liable under any Environmental Law for an Environmental Condition, or (ii) may be in violation of or have any liability under any Environmental Law, and (B) Contrans and each Subsidiary is in compliance with the Environmental Approvals held or maintained by Contrans and such Subsidiary; and
 - (iii) neither Contrans nor any of the Subsidiaries has arranged, by contract, agreement or otherwise, for the transportation, disposal or treatment of Contaminants at any location such that it is or could be liable for Remediation of such location pursuant to Environmental Laws, and no such location, nor any of the real property currently owned, operated, or leased by Contrans or any of the Subsidiaries is listed on any governmental list or database of properties that may require Remediation.

- (y) Tax Matters. Except as disclosed in the Disclosure Letter, and except in each case as would not individually or in the aggregate, have a Material Adverse Effect:
- (i) Contrans and the Subsidiaries have filed or caused to be filed in a timely manner all material Tax Returns required to be filed by them (all of which Tax Returns were correct and complete in all material respects and no material fact has been omitted therefrom) and have, in all material respects, paid, collected, withheld or remitted, or caused to be paid, collected, withheld or remitted, all Taxes, including withholding to non-resident suppliers, any instalments and prepayments, that are due and payable, collectible and remittable other than those which are being contested in good faith and in respect of which reserves have been provided in the most recently published financial statements of Contrans. No extension of time in which to file any Tax Returns is in effect. Contrans has provided adequate accruals in accordance with Canadian GAAP in its published consolidated financial statements for any Taxes for the period covered by such financial statements which have not been paid, whether or not shown as being due on any Tax Returns. Since such publication date, no material liability for Taxes not reflected in such consolidated financial statements has been incurred or accrued by Contrans or the Subsidiaries other than in the Ordinary Course of business. Contrans and the Subsidiaries have, in all material respects, made adequate provision or disclosure in their books and records for any Taxes accruing in respect of any period subsequent to the period covered by such financial statements, whether or not shown as being due on any Tax Return. No lien for Taxes has been filed or exists other than for Taxes not yet due and payable;
 - (ii) there are no reassessments of Taxes in respect of Contrans or any of the Subsidiaries that have been issued and are outstanding and there are no outstanding issues which have been raised and communicated to Contrans or any Subsidiary by any Governmental Entity for any taxation year in respect of which a Tax Return of Contrans or any Subsidiary has been audited. None of Contrans or any Subsidiary is negotiating any draft assessment or reassessment with any Governmental Entity. Neither Contrans nor any Subsidiary has executed or filed with any Governmental Entity any agreement or waiver extending the period for assessment, reassessment or collection of any Taxes. No audit of Contrans or any Subsidiary by any Governmental Entity is in process or, to the knowledge of Contrans, pending;
 - (iii) Contrans and each Subsidiary has withheld from each payment made to any of its present or former Employees, officers and directors, and to all other Persons all material amounts required by law to be withheld, and furthermore, has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Entity. Contrans and each Subsidiary has remitted all applicable pension plan contributions,

employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its Employees and has remitted such amounts to the proper Governmental Entity within the time required under applicable Law. Contrans and each Subsidiary has, in all material respects, charged, collected and remitted on a timely basis all Taxes as required under applicable Law on any sale, supply or delivery whatsoever, made by it;

- (iv) all Taxes, local improvements, utilities and any and all other payments to or assessments of any Governmental Entity having jurisdiction in respect of any Real Property have been paid or made, or accrued for;
- (v) neither Contrans nor any Subsidiary is party to any tax sharing, tax indemnity or tax allocation agreement or arrangement other than any such agreement or arrangement exclusively between or among Contrans and its Subsidiaries;
- (vi) neither Contrans nor any Subsidiary has acquired property from a non-arm's length Person which could subject it to a liability under Section 160 of the Tax Act or comparable provisions of any applicable tax Laws;
- (vii) no claim has ever been made by any Governmental Entity in a jurisdiction where either Contrans or any Subsidiary does not file Tax Returns that Contrans or any Subsidiary is or may be subject to Taxes or is required to file Tax Returns in that jurisdiction;
- (viii) to the knowledge of Contrans, there are no circumstances existing which could reasonably be expected to result in an assessment of Contrans or any Subsidiary on the basis of Sections 78 or 80 to 80.04 of the Tax Act or comparable provisions of any applicable tax Laws;
- (ix) Contrans has provided to the Offeror and Parent true, correct and complete copies of (a) all Tax Returns relating to Taxes for any taxable period beginning within five (5) years prior to the date hereof; and (b) material portions of any income tax audit reports, statement of deficiencies, closing or other agreements received by Contrans or any Subsidiary relating to Taxes for any taxable period beginning within five (5) years prior to the date hereof;
- (x) neither Contrans nor any Subsidiary has made an "excessive eligible dividend designation" as defined in Section 89(1) of the Tax Act in respect of any dividend paid, or deemed by any provision of the Tax Act to have been paid on any class of shares of its capital; and
- (xi) Contrans and each Subsidiary has prepared all transfer pricing documentation required under Section 247(4) of the Tax Act and has otherwise complied with the transfer pricing rules contained in Section 247 of the Tax Act.

(z) Employee Plans.

- (i) The Disclosure Letter sets out a list of all written employee benefit, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, tax equalization, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation, phantom stock option, savings, severance or termination pay, retirement, supplementary retirement, hospitalization insurance, salary continuation, legal, health or other medical, dental, life, disability or other insurance (whether insured or self-insured) plan, program, agreement or arrangement, including any such plans which are sponsored or maintained by any Governmental Entity, or sponsored, maintained or contributed to or required to be contributed to by Contrans or any of the Subsidiaries for the benefit of its Employees or former Employees and their dependents or beneficiaries to which Contrans or any of the Subsidiaries participates or has any actual or potential liability or obligations, other than plans established pursuant to statute (collectively the “**Employee Plans**”);
- (ii) Contrans has made available to the Offeror and Parent copies of all Employee Plans and all booklets and manuals prepared for, and circulated to, the Employees and their beneficiaries concerning each Employee Plan;
- (iii) all of the Employee Plans have, in all material respects, been established, registered, qualified, funded, invested and administered in accordance with, and are in good standing under, all Laws and the terms of such Employee Plans;
- (iv) all data necessary to administer each Employee Plan, in all material respects, is in the possession of Contrans and is in a form sufficient for the proper administration, in all material respects, of each Employee Plan;
- (v) all contributions or premiums required to be made by Contrans or any Subsidiary under the terms of each Employee Plan or by Laws have been made, in all material respects, in a timely fashion in accordance with Laws and the terms of the Employee Plans, and neither Contrans nor any Subsidiary has, and as of the Effective Date will not have, any actual or potential material unfunded liabilities (other than liabilities accruing after the Effective Date) with respect to any of the Employee Plans;
- (vi) to the knowledge of Contrans, as of the date hereof, no Employee Plan, nor any related trust or other funding medium thereunder, is subject to any pending, threatened or anticipated investigation, examination or other legal proceeding, initiated by any Governmental Entity or by any other Person (other than routine claims for benefits) which would, if not decided in Contrans’ favour, individually or in the aggregate, have a Material Adverse Effect;

- (vii) there have been no withdrawals, applications or transfers of assets from any Employee Plan or the trusts or other funding media relating thereto except in accordance with the terms of such Employee Plan, Laws and all applicable agreements, other than as would not, individually or in the aggregate, result in a Material Adverse Effect;
 - (viii) except as disclosed in the Disclosure Letter, the execution of this Agreement and the completion of the transactions contemplated hereby will not (either alone or in conjunction with any additional or subsequent events) constitute an event under any Employee Plan that will or may result in any material payment (whether of severance pay or otherwise), acceleration of payment or vesting of benefits, forgiveness of indebtedness, vesting, distribution, restriction on funds, increase in benefits or obligation to fund benefits with respect to any Employee; and
 - (ix) there exists no material liability in connection with any former benefit plan relating to the Employees or former Employees of Contrans or any Subsidiary or their beneficiaries that has terminated, and all procedures for termination of each such former benefit plan have been, in all material respects, properly followed in accordance with the terms of such former benefit plans and Laws.
- (aa) Reporting and Other Status. Contrans is a reporting issuer or its equivalent in each of the provinces and territories of Canada and is not a reporting issuer or the equivalent of a reporting issuer in any other foreign jurisdiction. The Class A Shares are listed on the Exchange and no other securities of Contrans are listed on the Exchange.
- (bb) Reports. Contrans has filed (including, as applicable, on SEDAR) or furnished, as applicable, with or to the applicable securities regulatory authorities and the Exchange all Public Documents. The Public Documents, at the time filed or furnished (i) did not contain any misrepresentation (as defined in the Securities Act) and (ii) complied with the requirements of applicable Securities Laws and applicable rules and policies of the Exchange, except where such non-compliance would not, individually or in the aggregate, have a Material Adverse Effect. Contrans has not filed any confidential material change or other report or other document with any applicable securities regulatory authorities or the Exchange which at the date hereof remains confidential.
- (cc) Compliance with Laws and Exchange Requirements. Contrans and the Subsidiaries (i) have complied with and are not in violation of any applicable Laws other than non-compliance or violation which would not, individually or in the aggregate, have a Material Adverse Effect; and (ii) have complied and are in compliance with any applicable listing and corporate governance rules and regulations of the Exchange other than non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect. Neither Contrans nor any Subsidiary has received any notice of any alleged violation of

applicable Laws or the listing and corporate governance rules and regulations of the Exchange other than such violation which would not, individually or in the aggregate, result in a Material Adverse Effect.

- (dd) No Cease Trade. No securities of Contrans are subject to any cease trade or other order, ruling or determination of the Exchange or any applicable securities commission or other similar authority and, to the knowledge of Contrans, no investigation or other proceedings involving Contrans which may operate to prevent or restrict trading of any securities of Contrans are currently in progress or pending before the Exchange or any applicable securities commission or other similar authority.
- (ee) No Option on Assets. Except as disclosed in the Disclosure Letter, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Contrans or any Subsidiary of any of the assets owned by Contrans or any Subsidiary and none of the properties or assets owned by Contrans or any Subsidiary are subject to any right of first refusal, or purchase or other similar acquisition rights.
- (ff) Material Contracts. Contrans has provided to the Offeror and Parent copies of all Material Contracts. Other than the Material Contracts, there are no other contracts, leases, instruments, notes, bonds, debentures, agreements, arrangements or understandings material to the conduct of the business of Contrans and the Subsidiaries that if breached or in default would, either individually or in the aggregate, have a Material Adverse Effect, and, except as disclosed in the Disclosure Letter, there are no current or pending negotiations with respect to the renewal, termination or amendment of any of the Material Contracts other than in the Ordinary Course. Neither Contrans nor any Subsidiary is in breach or default under any Material Contract to which it is a party or bound, nor does Contrans have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default, except in each case where any such breaches or defaults would not, individually or in the aggregate, have a Material Adverse Effect. Neither Contrans nor any Subsidiary knows of, or has received written notice of, any breach or default under (nor, to the knowledge of Contrans, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any such Material Contract by any other party thereto except where any such violation or default would not, individually or in the aggregate, have a Material Adverse Effect. To the knowledge of Contrans, all of the Material Contracts are legal, valid, binding and in full force and effect and are enforceable by Contrans or the applicable Subsidiary, as the case may be, in accordance with their respective terms (subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally, and to general principles of equity).
- (gg) Certain Contracts. Except as disclosed in the Disclosure Letter, neither Contrans nor any of the Subsidiaries is a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or

decree which purports to (i) limit the manner or the localities in which the business of Contrans or the Subsidiaries are conducted, (ii) limit any business practice of Contrans or any Subsidiary in any material respect, or (iii) restrict any acquisition or disposition of any property by Contrans or any Subsidiary.

- (hh) Financial Advisors. Except for the fees payable to Cormark Securities Inc., Contrans has not agreed to pay any financial advisor, broker, agent or finder on account of this Agreement or the Offer or any other transaction contemplated hereby.

3.2 Representations and Warranties by the Offeror and Parent

The Offeror and Parent jointly represent and warrant to and in favour of Contrans as follows and acknowledge that Contrans is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization, Standing and Corporate Power. Each of the Offeror and Parent has been duly incorporated and is validly existing under the Laws of its jurisdiction of incorporation, and has the corporate power and authority to own its properties and conduct its businesses as currently owned and conducted.
- (b) Authority; No Conflict. Each of the Offeror and Parent has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Offeror and Parent and the consummation by the Offeror and Parent of the transactions contemplated by this Agreement have been duly authorized by their respective boards of directors and no other corporate proceedings on the part of the Offeror or Parent are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Offeror and Parent and constitutes a valid and binding obligation of the Offeror and Parent, respectively, enforceable against them in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, except as limited by the application of equitable principles when equitable remedies are sought, and subject to the Competition Act Approval and Transportation Act Approval. The execution and delivery by the Offeror and Parent of this Agreement and the completion of the transactions contemplated hereby, will not result in a violation, default or breach by the Offeror or Parent, respectively, of, require any consent, approval or waiver of any party to be obtained by the Offeror or Parent under or give rise to any termination rights under any provision of (i) its certificate of incorporation, articles or by-laws, (ii) to the knowledge of the Offeror and Parent, any order, judgment, ruling, injunction, award and decree of any court of competent jurisdiction or any applicable Law, or (iii) any contract or agreement to which the Offeror or Parent is a party.

- (c) Regulatory Approvals. Other than the Competition Act Approval and Transportation Act Approval, no consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity which has not been received or made is required in connection with the Offer and the execution and delivery of this Agreement by the Offeror or Parent.
- (d) Compliance with Laws. Each of the Offeror and Parent is in compliance with all applicable Laws, except for non-compliances which would not reasonably be expected to, individually or in the aggregate, have an Offeror Material Adverse Effect.
- (e) Litigation. Except as would not reasonably be expected to have an Offeror Material Adverse Effect, there are no suits, claims, actions or proceedings pending or, to the knowledge of the Offeror and Parent, threatened against the Offeror or Parent before any Governmental Entity.
- (f) Financial Capacity. The Offeror and Parent have made adequate arrangements (as such term is understood for purposes of Section 2.27 of *Multilateral Instrument 62-104 - Take-over Bids and Issuer Bids*) to ensure that the required funds are available to make full payment for the Shares that the Offeror will offer to acquire under the Offer.
- (g) Sophisticated Offeror; Access. The Offeror and Parent are knowledgeable, sophisticated and experienced in business and financial matters, including in the industry in which Contrans and its Subsidiaries operate, and have had sufficient access to management of Contrans and its Subsidiaries and their respective records for the purpose of conducting a satisfactory due diligence review.
- (h) Lock-Up Agreements. True and complete copies of the Lock-Up Agreements being executed concurrently with this Agreement have been provided to Contrans. Other than the Lock-Up Agreements, the Offeror has not entered into any other lock up, escrow or similar agreement with any Shareholder.

3.3 Disclosure Letter

Concurrently with the execution and delivery of this Agreement, Contrans is delivering to the Offeror and Parent the Disclosure Letter required to be delivered pursuant to this Agreement, which is deemed to constitute an integral part of this Agreement and to modify the representations and warranties of Contrans contained in this Agreement. Notwithstanding anything in the Disclosure Letter to the contrary, all disclosures in the Disclosure Letter must reference or be associated with a particular section in this Agreement, but will also be interpreted to relate to or modify other sections of this Agreement if the intention to so relate or modify is reasonably apparent. The inclusion of any item in the Disclosure Letter shall not be construed as an admission by Contrans of the materiality of such item.

3.4 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall not survive the completion of the Offer and shall expire and be terminated on the earlier of (i) the Effective Date, and (ii) the date on which this Agreement is terminated in accordance with its terms. Except for the representations and warranties contained herein, none of Contrans, the Offeror or Parent or any other Persons on behalf of Contrans, the Offeror or Parent makes any express or implied representation or warranty with respect to Contrans, the Offeror or Parent or with respect to any other information provided or otherwise made available in connection with the transactions contemplated hereby.

ARTICLE 4 COVENANTS

4.1 Conduct of Business

Contrans covenants and agrees that it shall, and shall cause its Subsidiaries to, during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless the Offeror shall otherwise agree in writing (such agreement not to be unreasonably withheld, conditioned or delayed), or except as is otherwise expressly permitted or contemplated by this Agreement or contemplated by the Disclosure Letter, or as is otherwise required by applicable Law:

- (a) Usual Business. Other than in connection with completing the Offer or any transactions contemplated herein or as are required by applicable Laws, Contrans shall, and shall cause the Subsidiaries to, conduct business only in, and not take any action except in, the Ordinary Course and shall use its reasonable commercial efforts to preserve intact the current business organization of Contrans and the Subsidiaries, keep available the services of the present executive officers of Contrans and the Subsidiaries and maintain good relations with, and the goodwill of, Persons having business relationships with Contrans or any of the Subsidiaries.
- (b) Certain Actions Prohibited. Other than in connection with completing the Offer or any transactions contemplated herein or as are required by applicable Laws or any Governmental Entity, Contrans shall not, without the prior written consent of the Offeror and Parent, which consent shall not be unreasonably withheld, conditioned or delayed, directly or indirectly do or permit to occur any of the following:
 - (i) issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, or permit a Subsidiary to issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares, of Contrans or any of the Subsidiaries,

other than the issue of up to 1,241,500 Class A Shares pursuant to the exercise of the Options issued and outstanding on the date hereof in accordance with their terms, pursuant to the conversion of any Class B Shares currently issued and outstanding as of the date hereof and RSUs in accordance with the terms of the RSU Plan and the Executive Employment Agreements existing as of the date hereof;

- (ii) other than in the Ordinary Course or as disclosed in the Disclosure Letter, sell, lease or otherwise dispose of, or permit any of the Subsidiaries to sell, lease or otherwise dispose of, any property or assets that are, either individually or in the aggregate, material to Contrans or enter into any agreement or commitment in respect of any of the foregoing;
- (iii) amend or propose to amend the articles or by-laws (or their equivalent) of Contrans or any of the Subsidiaries or, except for purposes of and as provided in Section 2.6, any of the terms of the Options or RSUs as they exist at the date of this Agreement;
- (iv) split, combine or reclassify any of the shares of Contrans or any of the Subsidiaries;
- (v) declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Shares, other than the Special Dividend and the regularly-scheduled quarterly cash dividend declared on July 15, 2014 of fifteen cents (\$0.15) per Share;
- (vi) redeem, purchase or offer to purchase or permit any of the Subsidiaries to redeem, purchase or offer to purchase, any Shares;
- (vii) reorganize, amalgamate or merge Contrans or any of the Subsidiaries with any other Person other than another Subsidiary;
- (viii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity;
- (ix) (A) satisfy or settle any material claims or disputes which are, individually or in the aggregate material to Contrans; (b) relinquish any contractual rights which are, individually or in the aggregate material to Contrans; or (c) enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments other than in the Ordinary Course and not for speculative purposes;
- (x) except as disclosed in the Disclosure Letter, incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money, or permit any of the Subsidiaries to do the same, in excess of five million dollars (\$5,000,000) in the aggregate;

- (xi) except as required by Canadian GAAP, any other generally accepted accounting principle to which any Subsidiary may be subject or any applicable Laws, make any changes to the existing accounting practices of Contrans or make any material tax election inconsistent with past practice;
- (xii) except as set out in the Disclosure Letter, adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Contrans or any of the Subsidiaries;
- (xiii) make any capital expenditure or commitment to do so except: (i) as disclosed in the Disclosure Letter, (ii) in accordance with the approved annual budget of Contrans made available to the Offeror, or (iii) which individually or in the aggregate does not exceed five million dollars (\$5,000,000);
- (xiv) enter into any new or renew or amend any existing real property leases;
- (xv) make any material Tax election, information schedule, return or designation, settle or compromise any material Tax claim, assessment, reassessment or liability, file any material amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods or reporting income, deductions or accounting for income Tax purposes, in each case except as may be required by Law;
- (xvi) knowingly take any action or knowingly permit inaction or knowingly enter into any transaction, in each case other than in the Ordinary Course, that could reasonably be expected to have the effect of materially reducing or eliminating the amount of the tax cost “bump” pursuant to paragraphs 88(1)(c) and 88(1)(d) of the Tax Act in respect of the securities of any Affiliates of Contrans or any Subsidiary and other non-depreciable capital property owned by Contrans or any of the Subsidiaries on the date hereof, upon an amalgamation or winding-up of Contrans or any of the Subsidiaries (or any of their respective successors);
- (xvii) make an “investment” (as that term is defined in Section 212.3 of the Tax Act) in any corporation that is, or will be prior to the Effective Date, a “foreign affiliate” of Contrans for purposes of the Tax Act, other than in the Ordinary Course;
- (xviii) make any regular or special bonus or profit-sharing distribution or similar payment of any kind, other than: (i) pursuant to existing employment agreements, retention agreements and transaction incentive agreements in

accordance with their terms, (ii) in the Ordinary Course, or (iii) the bonuses payable to employees as set out in the Disclosure Letter;

- (xix) except as required by applicable Laws: (a) adopt, enter into or amend any Employee Plan (other than entering into an employment or consulting agreement in the Ordinary Course with a new non-management employee who was not employed or retained by Contrans or a Subsidiary on the date of this Agreement or renewing an existing non-management employment or consulting agreement in the Ordinary Course); (b) pay any benefit to any director or officer of Contrans or any of the Subsidiaries or to any Employee that is not required under the terms of any Employee Plan or the employment, retention or transaction incentive agreements or arrangements in effect on the date of this Agreement, it being acknowledged and agreed that the foregoing shall not limit the ability of Contrans to pay any director fees and the bonuses payable to employees as set out in the Disclosure Letter; (c) grant, accelerate, increase or otherwise amend any payment, award or other benefit, in any material respect, payable to, or for the benefit of, any director or officer of Contrans or any of the Subsidiaries or to any Employee except as disclosed in the Disclosure Letter; (d) make any material determination under any Employee Plan that is not in the Ordinary Course; (e) except as disclosed in the Disclosure Letter, sign or enter into any new or amend or extend any existing management employment agreements, retention agreements and transaction incentive agreements; or (f) take or propose any action to effect any of the foregoing;
 - (xx) enter into or amend any contract with any broker, finder or investment banker, other than in connection with facilitating the exercise of Options pursuant to the Stock Option Plan and/or Section 2.6; or
 - (xxi) agree or commit to do any of the foregoing.
- (c) Insurance. Contrans shall use its reasonable commercial efforts, and shall cause the Subsidiaries to use their reasonable commercial efforts, to cause their respective current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of internationally-recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
- (d) Contractual Obligations. Except as set out in the Disclosure Letter, in the Ordinary Course or as required by applicable Laws, Contrans shall not, and shall cause the Subsidiaries not to, enter into, renew or modify in any material respect any material contract, agreement, lease, commitment or arrangement to which Contrans or any of the Subsidiaries is a party or by which any of them is

bound, except insofar as may be necessary to permit or provide for the completion of the Offer.

- (e) Refrain from Certain Actions. Contrans shall not take any action, refrain from taking any action (subject to commercially-reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement which could reasonably be expected to materially impede the completion of the Offer or which could have a Material Adverse Effect, provided that where Contrans is required to take any such action or refrain from taking such action (subject to commercially-reasonable efforts) as a result of this Agreement, it shall as promptly as reasonably practical notify the Offeror and Parent in writing of such circumstances.
- (f) No Compromise. Contrans shall not, and shall cause the Subsidiaries not to, settle or compromise any material claim brought by any present, former or purported holder of any securities of Contrans in connection with the Offer prior to the Effective Date without the prior written consent of the Offeror, which will not be unreasonably withheld.
- (g) Cooperation. Contrans shall make, or cooperate as necessary in the making of, all necessary notifications, filings, applications and submissions under all applicable Laws (including the Competition Act and Transportation Act) required in connection with the Offer and take all commercially-reasonable action necessary to be in compliance with such Laws, including as contemplated by Section 4.2(g).
- (h) Representations. Contrans shall use its commercially-reasonable efforts to conduct its affairs and to cause the Subsidiaries to conduct their affairs so that all of the representations and warranties of Contrans contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date (except for those expressly stated to speak at or as of an earlier time, which shall be true and correct as of such time).

4.2 Cooperation and Assistance

- (a) Proceedings. In a timely and expeditious manner, Contrans and the Subsidiaries shall take all such actions and do all such acts and things as are contemplated herein to be taken or done by Contrans and the Subsidiaries, as applicable.
- (b) Copy of Documents. Except for non-substantive communications, Contrans shall, subject to compliance with applicable Laws, furnish as promptly as reasonably practical to Offeror and Parent a copy of each notice, report, schedule or other document or communication delivered, filed or received by Contrans in connection with this Agreement or the Offer, any filings made under any applicable Laws and any dealings or communications with any Governmental

Entity or the Exchange in connection with, or in any way affecting, the Offer or the other transactions contemplated by this Agreement.

- (c) Satisfaction of Conditions. Contrans shall use all commercially-reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws for completion of the Offer and the other transactions contemplated by this Agreement, to the extent that the same are within its control, including using its commercially-reasonable efforts to:
- (i) obtain all consents (including consents from the parties set out in the Disclosure Letter), approvals and authorizations as are required to be obtained by Contrans or any of the Subsidiaries under any applicable Laws or from any Governmental Entity which would, if not obtained, materially impede the completion of the Offer and the other transactions contemplated herein or have a Material Adverse Effect;
 - (ii) effect all necessary registrations, notifications, filings and submissions of information requested by Governmental Entities required to be effected by Contrans or any of the Subsidiaries in connection with the Offer and participate and appear in any proceedings of any Party hereto before any Governmental Entity; provided that any obligation as to any such action on the part of Contrans in connection with the Competition Act or the Transportation Act shall be governed by Section 4.2(g);
 - (iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the Offer or seeking to stop, or otherwise adversely affecting the ability of the Parties hereto to consummate, the Offer;
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement required to be fulfilled or satisfied by Contrans; and
 - (v) cooperate with each of the Offeror and Parent in connection with the performance by it of its obligations hereunder, provided, however, that other than as set out in this Agreement, the foregoing shall not be construed to obligate Contrans to pay or cause to be paid any monies or to cause any liability to be incurred to cause such performance to occur.
- (d) Lock-Up Agreements. Contrans shall collaborate with the Offeror and Parent to obtain Lock-Up Agreements in respect of the Offer from those Shareholders set out in a notice from the Offeror to Contrans.
- (e) Closing Documents. Contrans shall execute and deliver, or cause to be executed and delivered, at the closing of the Offer and the other transactions contemplated hereby such customary agreements, certificates, resolutions and

other closing documents as may be required by the Offeror and Parent, all in form satisfactory to the Offeror and Parent, acting reasonably.

- (f) Resignations and Releases. Subject to obtaining confirmation that insurance coverage is maintained as contemplated in Section 4.6, Contrans shall use commercially-reasonable efforts to obtain and deliver to the Offeror and Parent at the Effective Date evidence reasonably satisfactory to the Offeror and Parent of the resignation and release of all claims against Contrans and the Subsidiaries, effective as of the Effective Date, of the directors of Contrans and the Subsidiaries designated by the Offeror and Parent to Contrans prior to the Effective Date and Contrans shall provide a release in favour of each resigning member of the Board who is being replaced by a director nominated by the Offeror, effective as of the Effective Date.
- (g) Preparation of Filings and Submissions. The Offeror shall use commercially reasonable efforts to obtain the Competition Act Approval and Transportation Act Approval as soon as practicably possible and, following the receipt of the Competition Act Approval and Transportation Act Approval, keep such approvals current and in force until the Effective Date.

Without limiting the generality of the above:

- (i) the Offeror shall promptly, and in any event, no later than ten (10) Business Days after the execution of this Agreement or such later date as the Offeror and Contrans may agree, submit to the Commissioner of Competition a submission assessing the competitive impact of the transaction contemplated herein and in which the Offeror will request that the Commissioner of Competition provide Competition Act Approval approved by counsel to Contrans (the “**Competition Act Submission**”), and provide to Contrans a final copy thereof (excluding competitively sensitive information therein, which will be provided to the external legal counsel of Contrans).
- (ii) unless the Offeror and Contrans agree that it is not necessary or advisable, the Offeror and Contrans shall, within ten (10) Business Days after the submission of the Competition Act Submission, each submit to the Commissioner of Competition the prescribed filing pursuant to subsection 114(1) of the Competition Act.
- (iii) the Offeror shall promptly, and in any event, no later than ten (10) Business Days after the execution of this Agreement, or such later date as the Offeror and Contrans may agree, submit to the Minister of Transport a submission outlining how the transaction contemplated herein does not raise issues with respect to public interest as it relates to national transportation and request that the Minister of Transport provide Transportation Act Approval, and provide to Contrans a final copy thereof

(excluding competitively sensitive information therein, which will be provided to the external legal counsel of Contrans).

- (iv) the Offeror shall have responsibility for the preparation and presentation of all filings, applications or submissions required or considered appropriate in order to obtain Competition Act Approval and Transportation Act Approval, including responding to all inquiries from the Commissioner of Competition (other than any notice or information submitted by Contrans pursuant to section 114 of the Competition Act or any inquiries directed specifically to Contrans, which shall be the responsibility of Contrans) or the Minister of Transport (other than any inquiries directed specifically to Contrans, which shall be the responsibility of Contrans).
- (v) the Parties shall promptly furnish to the Commissioner of Competition or the Minister of Transport any additional information required or reasonably requested under the Competition Act or the Transportation Act. All such requests and inquiries shall be dealt with by the Parties in consultation with each other.
- (vi) each of Parent and Contrans shall:
 - (A) promptly notify the other Party of written communications of any nature from the Commissioner of Competition or the Minister of Transport or their staff relating to the transaction contemplated by this Agreement and provide the other Party with copies thereof, except to the extent of any competitively sensitive information, which competitively sensitive information will be provided to the external legal counsel of the other Party and will not be shared by such counsel with any other Person;
 - (B) permit the other Party to review in advance and comment on any proposed written communications of any nature with the Commissioner of Competition or the Minister of Transport or their respective staff relating to the transaction contemplated by this Agreement, and provide the other Party with final copies thereof, except to the extent of any competitively sensitive information, which competitively sensitive information will be provided to the external legal counsel of the other Party and will not be shared by such counsel with any other Person;
 - (C) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with the Commissioner for Competition or the Minister of Transport or their respective staff in respect of any filing, investigation or inquiry concerning the transaction contemplated by this Agreement unless it consults with the other Party and gives the other Party the opportunity to attend

and participate thereat (except where the Commissioner of Competition or the Minister of Transport expressly requests that the other Party should not be present at the meeting or discussion or part or parts of the meeting or discussion, or except where competitively sensitive information may be discussed, in which case every reasonable effort will be made to allow external legal counsel to participate).

- (vii) each of the Offeror and Contrans shall pay half of the filing fees associated with obtaining the Competition Act Approval.

4.3 Notification of Certain Matters

- (a) Each of the Offeror and Contrans shall promptly notify the other Party if at any time before the Effective Date it becomes aware that the Bid Circular, the Directors' Circular or any other filing or submission to a Governmental Entity contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in the light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Bid Circular, the Directors' Circular or such filing or submission, and the Offeror and Contrans shall cooperate in the preparation of any amendment or supplement to the Bid Circular, the Directors' Circular or filing or submission, as required.
- (b) Each of the Offeror and Contrans shall promptly notify the other Party of:
 - (i) the occurrence or failure to occur of any event, which occurrence or failure would cause or may cause any representation or warranty on its part contained in this Agreement to be untrue or inaccurate at any time from the date of this Agreement to the Effective Date (except for such inaccuracies which, individually or in the aggregate, do not constitute a Material Adverse Effect or prevent, restrict or materially delay the consummation of the Offer or constitute an Offeror Material Adverse Effect, as applicable); and
 - (ii) any failure of such Party to comply with or satisfy any covenant, condition, obligation or agreement to be complied with or satisfied by it hereunder (except for such failures which, individually or in the aggregate, do not constitute a Material Adverse Effect or prevent, restrict or materially delay the consummation of the Offer or constitute an Offeror Material Adverse Effect, as applicable).

4.4 Non-Solicitation

- (a) On and after the date of this Agreement, except as otherwise provided in this Agreement, Contrans shall not, directly or indirectly, through any officer, director, Employee, representative (including for greater certainty any financial or other advisors) or agent or otherwise:

- (i) make, solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing non-public information or entering into any form of written or verbal agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal or otherwise cooperate in any way with, or assist with or participate in any way in any effort or attempt by any Person to make an Acquisition Proposal;
 - (ii) engage or participate in any discussions or negotiations regarding, or provide any confidential information with respect to, any Acquisition Proposal (provided that, for greater certainty, Contrans may advise any Person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute an Acquisition Proposal or a Superior Proposal when the Board has so determined);
 - (iii) withdraw, modify or qualify (or publicly propose to or publicly state that it intends to withdraw, modify or qualify) in any manner adverse to the Offeror the approval or recommendation of the Board of this Agreement or the Offer; or
 - (iv) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal, or accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal.
- (b) Except as otherwise provided in this Section 4.4, Contrans will cease and cause to be terminated any existing solicitation, activity, discussion or negotiation with any Person by Contrans or any of its representatives or agents with respect to any Acquisition Proposal (other than Offeror and its Affiliates), whether or not initiated by Contrans, and, in connection therewith, Contrans will discontinue access to any data rooms (virtual or otherwise) previously provided to any such Person and will request the return or destruction of all confidential information regarding Contrans and its Subsidiaries previously provided to any such person.
- (c) From and after the date of this Agreement, Contrans shall promptly, and in any event within forty-eight (48) hours following receipt thereof, notify the Offeror, at first orally and then in writing, of an Acquisition Proposal, any request for discussions or negotiations and any request for non-public information relating to Contrans or its Subsidiaries received by Contrans' directors, officers, representatives or agents, or any material amendments to the foregoing. Such notice shall include a description of the material terms and conditions of, and the identity of the Person making, any proposal, inquiry, offer or request, and shall include, in the case of a proposal or offer, full and complete copies of any such written proposal or offer or any amendment to any of the foregoing. Contrans shall keep the Offeror reasonably informed of the status, including any change to the material terms, of any such proposal or offer or any amendment to the

foregoing and will respond promptly to all reasonable inquiries by the Offeror with respect thereof.

- (d) Notwithstanding Section 4.4(a) and any other provision of this Agreement, if Contrans receives a *bona fide* written Acquisition Proposal that was not solicited after the date hereof, the Board shall be permitted to engage in discussions or negotiations, provide information and otherwise cooperate and facilitate and maintain discussions or negotiations with and assist the Person making such Acquisition Proposal, if and only to the extent that:
 - (i) Contrans has provided the Offeror with the notice required by Section 4.4(c) in respect of such Acquisition Proposal;
 - (ii) the Board determines in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal constitutes, or could reasonably be expected to lead to, a Superior Proposal;
 - (iii) prior to providing any information or data, the Board receives from such Person an executed non-disclosure agreement that contains provisions that are not less favourable to Contrans than those contained in the Non-Disclosure Agreement, and Contrans sends a copy of any such non-disclosure agreement to the Offeror promptly upon its execution; and
 - (iv) the Offeror is provided promptly with a list of, or in the case of information that was not previously made available to the Offeror, copies of, any material information provided to such Person.
- (e) Notwithstanding Section 4.4(a) and any other provision of this Agreement, if Contrans receives a *bona fide* written Acquisition Proposal that was not solicited after the date hereof, the Board shall be permitted to withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to the Offeror the approval or recommendation of this Agreement and the Offer and to terminate this Agreement in order to accept, approve, recommend or enter into a definitive agreement (other than a non-disclosure agreement contemplated by Section 4.4(d) above) with respect to such Acquisition Proposal, if and only to the extent that:
 - (i) Contrans has provided the Offeror with the notice required by Section 4.4(c) in respect of such Acquisition Proposal;
 - (ii) Contrans determines in good faith, after consultation with its outside legal and financial advisors, that such Acquisition Proposal constitutes a Superior Proposal and that the failure to take such action would be inconsistent with its fiduciary duties under applicable Laws;
 - (iii) Contrans has provided the Offeror with a written notice advising it of the Board's determination;

- (iv) five (5) Business Days shall have elapsed from the later of (A) the date on which the Offeror received the notice required by clause (i) above, including a full and complete copy of such Acquisition Proposal, and (B) the date on which the Offeror received the notice required by clause (iii) above; and
 - (v) Contrans concurrently terminates this Agreement pursuant to Section 5.1(d) and has paid or concurrently pays to the Offeror the Termination Fee.
- (f) During the five (5) Business Day period referred to in clause (iv) above, the Offeror shall have the opportunity, but not the obligation, to offer to amend the terms of this Agreement and the Offer in order for such Acquisition Proposal to cease to be a Superior Proposal. The Board will review any offer by the Offeror to amend the terms of this Agreement and the Offer in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the Offer, as so amended, upon acceptance by Contrans, would, if consummated in accordance with its terms, result in a transaction equal or more favourable to the Shareholders from a financial point of view than the transaction contemplated by the Superior Proposal. If the Board so determines, Contrans will enter into an amendment to this Agreement with the Offeror reflecting the amended Offer. If the Board continues to believe, in good faith, after consultation with its outside legal and financial advisors, that such Superior Proposal remains a Superior Proposal and therefore rejects the offer to amend the terms of this Agreement and the Offer, Contrans and the Board may approve, recommend, accept or enter into a definitive agreement with respect to the Superior Proposal.
- (g) The Board will promptly reaffirm its recommendation of the Offer by press release after: (i) any Acquisition Proposal is publicly announced and the Board determines it is not a Superior Proposal; or (ii) the Board determines that a proposed amendment to the terms of the Offer would result in the Acquisition Proposal not being a Superior Proposal, and the Offeror has so amended the terms of the Offer. The Offeror will be given a reasonable opportunity to review and comment on the form and content of any such press release.
- (h) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders shall constitute a new Acquisition Proposal for the purposes of this Section 4.4 and the Offeror shall be afforded a new five (5) Business Day period to respond in respect of each such Acquisition Proposal.
- (i) Nothing contained in this Section 4.4 or any other provision of this Agreement shall prohibit the Board from making any disclosure to the Shareholders prior to the Effective Date if, in the good faith judgment of the Board, after consultation with outside legal counsel, such disclosure is necessary for the Board to act in a manner consistent with its fiduciary duties.

4.5 Access to Information

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, upon reasonable notice and subject to compliance with applicable Law and the confidentiality provisions of any existing contract or agreement to which Contrans or any of its Subsidiaries is a party, Contrans shall, and shall cause its Subsidiaries to, afford to the Offeror and Parent and to their respective executive officers (upon reasonable advance notice and, at the option of Contrans, a Contrans representative present) reasonable access, during normal business hours, to their personnel, properties, records and information at Contrans' head office, or another location to be agreed upon with Contrans, in order to allow the Offeror to engage in strategic and integration planning, for the structuring of any Pre-Acquisition Reorganization and for any other reasons reasonably relating to the transactions contemplated herein. The Offeror and Parent hereby acknowledge and agree that information furnished pursuant to this Section 4.5 shall be subject to the terms and conditions of the Non-Disclosure Agreement.

4.6 Directors' and Officers' Insurance and Indemnification

- (a) From and after the Effective Date, the Offeror shall indemnify and hold harmless and provide advancement of expenses to, all past and present directors and officers of Contrans or its Subsidiaries to the greatest extent such persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by Contrans or its Subsidiaries pursuant to articles, by-laws and indemnity agreements in existence prior to the Effective Date, for acts or omissions occurring on or prior to the Effective Date (including acts or omissions occurring in connection with the approval of this Agreement and consummation of the transactions contemplated hereby).
- (b) Prior to the Effective Date, Contrans shall and, if Contrans is unable to, the Offeror shall cause Contrans as of the Effective Date to, obtain and fully pay the premium for the extension of the directors' and officers' and employment practices liability insurance policies of Contrans and the Subsidiaries for a claims reporting or "run-off" and extended reporting period of at least six (6) years from and after the Effective Date with respect to any claim related to any period of time at or prior to the Effective Date from an insurance carrier with the same or better credit rating as Contrans' current insurance carriers with respect to directors' and officers' and employment practices liability insurance, and with terms, conditions, retentions and limits of liability that are no less favourable to the indemnified persons than the coverage provided under existing policies of Contrans and the Subsidiaries in effect on the Effective Date, with respect to protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date (including in connection with the approval or completion of the Offer or arising out of or related to this Agreement and any other transactions contemplated hereby); provided that the Offeror will not be required to pay any amounts in respect of coverage prior to the Effective Date and provided further that the cost of such "run-off" policies shall not exceed two hundred fifty percent (250%) of Contrans' current annual aggregate premium for policies currently maintained by Contrans and the Subsidiaries. If Contrans for any reason fails to

obtain such “run-off” insurance policies as of the Effective Date, the Offeror will, or will cause Contrans and the Subsidiaries to, maintain in effect without any reduction in scope or coverage for six (6) years from the Effective Date customary policies of directors’ and officers’ and employment practices liability insurance providing protection no less favourable to the indemnified persons than the protection provided by the policies maintained by Contrans and the Subsidiaries which are in effect on the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided that the Offeror will not be required to pay any amounts in respect of such coverage prior to the Effective Date and provided further that the cost of such policies shall not exceed two hundred fifty percent (250%) per year of Contrans’ current annual aggregate premium for policies currently maintained by Contrans (including in connection with the approval or completion of the Offer or arising out of or related to this Agreement); provided that if the cost in any year does exceed two hundred fifty percent (250%) of Contrans’ current annual aggregate premium for policies currently maintained by Contrans, the Offeror will or will cause Contrans and the Subsidiaries to maintain as much coverage as is available for the cost equal to two hundred fifty percent (250%) of Contrans’ current annual aggregate premium for policies currently maintained by Contrans. The Offeror shall cause Contrans to ensure that the articles and/or by-laws of Contrans and the Subsidiaries (or their respective successors) shall contain the provisions with respect to indemnification set out in Contrans’ or the applicable Subsidiary’s articles and/or by-laws as of the Effective Date, which provisions shall not, except to the extent required by applicable Laws, be amended, repealed or otherwise modified for a period of six (6) years from the Effective Date in any manner that would adversely affect the rights thereunder of individuals who, immediately prior to the Effective Date, were directors, officers or employees of Contrans or any of the Subsidiaries. The provisions of this Section 4.6(b) are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose, Contrans hereby confirms that it is acting as agent and trustee on their behalf. Furthermore, this Section 4.6(b) shall survive any termination of this Agreement as a result of the occurrence of the Effective Date and continue in full force and effect in accordance with the terms of this Section 4.6(b). Notwithstanding the foregoing, the Offeror shall have the right to present alternative quotes to the policies identified by Contrans and, provided such alternative quotes are at least equivalent in all other material respects, Contrans shall select the coverage at the lowest cost to Contrans.

- (c) The obligations of the Offeror and Parent under this Section 4.6 shall not be terminated, modified or waived in such a manner as to adversely affect any indemnitee to whom this Section 4.6 applies without the consent of such affected indemnitee, it being expressly agreed that the indemnities to whom this Section 4.6 applies shall be third-party beneficiaries of, and entitled to directly enforce, this Section 4.6. The Offeror shall, in addition to the foregoing, provide direct confirmation of these obligations to the directors and senior officers of Contrans as part of the completion of the Offer.

4.7 Regulatory Approvals

The Parties acknowledge and agree that the Offeror's obligations to use commercially reasonable efforts shall include an obligation of the Offeror to (i) defend any action, suit or proceeding that challenges any of the transactions contemplated by this Agreement and (ii) not take any action (including the acquisition by it or any of its Subsidiaries of any interest in any Person that derives revenues from products, services or lines of business similar to either Parties' products, services or lines of business) if such action would reasonably be expected to make it more likely that there would arise any impediments under any applicable Law that may be asserted by any Governmental Entity to the consummation of the transactions contemplated by this Agreement as promptly as reasonably practicable.

4.8 Accuracy of Representations and Warranties

Parent covenants and agrees that at all times prior to the Effective Date, Parent shall not, and shall cause the Offeror to not, intentionally take any action, or fail to take any action, which would reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue at any time prior to the Effective Date.

4.9 Executive Employment Agreements

The Parent covenants and agrees, and after the Effective Date will cause Contrans and any successor to Contrans to agree, to honour and comply with the terms of the Executive Employment Agreements of Contrans.

4.10 Reorganization

Contrans agrees that, upon request by Parent, Contrans shall and shall cause each of the Subsidiaries to (i) effect such reorganizations of its business (including for tax purposes), operations and assets or such other transactions as Parent may request, acting reasonably (each a "**Pre-Acquisition Reorganization**") and (ii) co-operate with Parent and its representatives in order to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they might most effectively be undertaken; provided that:

- (a) the Pre-Acquisition Reorganizations are not prejudicial to Contrans, any Subsidiary or the Shareholders in any material respect;
- (b) the Pre-Acquisition Reorganizations do not unreasonably interfere in the ongoing operations of Contrans or any of the Subsidiaries;
- (c) the Pre-Acquisition Reorganizations do not result in any material breach by Contrans of (i) the constating documents of Contrans or any of the Subsidiaries (ii) any existing contract or commitment of Contrans; or (iii) any Law;
- (d) the Pre-Acquisition Reorganizations would not reasonably be expected to impede or delay the Offeror's ability to take up and pay for the Shares tendered to the Offer;

- (e) unless the Parties otherwise agree, any Pre-Acquisition Reorganization shall not require any filings with, notifications to or approvals of any Governmental Entity or third party; and
- (f) Contrans and the Subsidiaries shall not be obligated to take any action that could result in any Taxes being imposed on, or any adverse Tax or other consequences to, Contrans, any of the Subsidiaries, or any securityholder of Contrans incrementally greater than the Taxes or other consequences to such party in connection with the consummation of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction in the absence of any Pre-Acquisition Reorganization.

Parent shall provide written notice to Contrans of any proposed Pre-Acquisition Reorganization at least ten (10) Business Days prior to the Expiry Time. Upon receipt of such notice, Parent and Contrans shall work cooperatively and use commercially reasonable efforts to prepare prior to the Expiry Time all documentation necessary and do all such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization. Parent and the Offeror agree to waive any breach of a representation, warranty or covenant by Contrans where such breach is a result of an action taken by Contrans or a Subsidiary in good faith pursuant to a request by Parent in accordance with this Section 4.10. The completion of any such Pre-Acquisition Reorganization shall be subject to the satisfaction of the Minimum Tender Condition and the satisfaction or waiver by the Offeror of the other conditions to the Offer set forth in Schedule A and shall be effected prior to any take-up by the Offeror of Shares tendered to the Offer. Parent and the Offeror shall indemnify Contrans, the Subsidiaries and any securityholder of Contrans for all direct and indirect costs or losses, including any adverse Tax consequences, out-of-pocket costs and expenses, including out-of-pocket legal fees and disbursements, incurred in connection with any proposed Pre-Acquisition Reorganization or the unwinding of any Pre-Acquisition Reorganization.

4.11 Notice to Contrans and Special Dividend

- (a) In the event that all conditions to the Offer have been satisfied or waived by the Offeror, the Offeror shall provide written notice to Contrans confirming that all conditions to the Offer have been satisfied or waived by the Offeror and that the Offeror is irrevocably taking up the Shares deposited under the Offer on the date on which the Expiry Time occurs and paying for such Shares on the date that is three (3) Business Days after such take up date. Upon receipt by Contrans of such written notice, Contrans and the Offeror shall issue forthwith a joint press release indicating that all conditions to the Offer have been satisfied or waived by the Offeror, that the Offeror is taking up and paying for the Shares deposited under the Offer in accordance with the timing specified in such written notice and, subject to any prior declaration or payment of the Special Dividend pursuant to Section 4.11(c), that Contrans is declaring the Special Dividend, which is to be payable to all Shareholders of record on the date that is three (3) Business Days after such written notice and is to be paid on the date that is four (4) Business Days after such written notice.

- (b) In the event that the mechanics for the take up of and payment for Shares deposited under the Offer and the Special Dividend set forth in Section 4.11(a) cannot be satisfied as a result of regulatory or administrative requirements or would result in the Offeror becoming entitled to receive any portion of the Special Dividend, the Parties shall work together to establish such other mechanics that will allow for the take up of and payment for Shares deposited under the Offer and allow the selling holders of Options or Shares to receive the Special Dividend in compliance with regulatory and administrative requirements.
- (c) Notwithstanding the foregoing and any other provision of this Agreement, Contrans shall be permitted to declare and pay the Special Dividend at any time following the date hereof.

ARTICLE 5

TERMINATION, AMENDMENT AND WAIVER

5.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of the Offeror and Contrans;
- (b) by Contrans, if the Offeror does not commence the Offer and mail the Offer Documents by the Offer Deadline (other than as a result of Contrans' default hereunder);
- (c) by the Offeror, if (i) the Board shall have failed to recommend the Offer as referred to in Section 2.2(a)(ii) or reaffirm its approval of the Offer within five (5) Business Days of any written request by the Offeror (or, in the event that the Offer shall be scheduled to expire within such five (5) Business Days period, prior to the scheduled expiry of the Offer), (ii) the Board shall have withdrawn, modified or changed in a manner adverse to the Offeror its approval or recommendation of this Agreement or the Offer, or (iii) the Board shall have approved or recommended, or publicly proposes to recommend or approve, any Acquisition Proposal.
- (d) by Contrans, in accordance with Section 4.4(e), subject to the prior payment by Contrans of the Termination Fee;
- (e) by the Offeror, if neither the Offeror nor Parent is in material breach of its representations, warranties, covenants or obligations under this Agreement, and Contrans is in breach of any of its representations, warranties, covenants or obligations under this Agreement where such breach of the representations, warranties, covenants or obligations, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or prevent, restrict or materially delay the consummation of the Offer, and any such breach is incapable of being cured or is not cured by Contrans within ten (10) days of written notice thereof;

- (f) by Contrans, if Contrans is not in material breach of its representations, warranties, covenants or obligations under this Agreement, and the Offeror or Parent is in breach of any of their respective representations, warranties, covenants or obligations under this Agreement where such breach of the representations, warranties, covenants or obligations, individually or in the aggregate, would reasonably be expected to have an Offeror Material Adverse Effect, and any such breach is incapable of being cured or is not cured by the Offeror or Parent, as applicable, within ten (10) days of written notice thereof;
- (g) by the Offeror, if any condition of the Offer shall not be satisfied at the Expiry Time (as such Expiry Time may be extended from time to time in accordance with this Agreement) and the Offeror shall not have elected to waive such condition(s) where permitted to do so in accordance with this Agreement;
- (h) by Contrans, if any condition of the Offer shall not be satisfied at the Expiry Time (as such Expiry Time may be extended from time to time in accordance with this Agreement) and Contrans shall not have elected to waive such condition(s) where permitted to do so in accordance with this Agreement;
- (i) by either the Offeror or Contrans, if the Effective Date has not occurred on or prior to the Outside Date; provided that the right to terminate this Agreement pursuant to this Section 5.1(i) shall not be available to a Party whose action or failure to act has been a principal cause of or resulted in the failure of the Effective Date to occur prior to the Outside Date and such action or failure to act constitutes a breach of this Agreement;
- (j) by either the Offeror or Contrans, if a court of competent jurisdiction or Governmental Entity shall have issued a non-appealable final order, decree or ruling having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, provided that the right to terminate this Agreement pursuant to this Section 5.1(j) shall not be available to a Party whose action or failure to act has been a principal cause of or resulted in the decision of such court or Governmental Entity and such action or failure to act constitutes a breach of this Agreement; or
- (k) by the Offeror, if any condition to making the Offer for the Offeror's benefit is not satisfied or waived before the Offer Deadline (other than as a result of a default by the Offeror hereunder), provided that the right to terminate this Agreement pursuant to this Section 5.1(k) shall not be available after the mailing of the Offer Documents.

5.2 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 5.1, no Party shall have any further liability to perform its obligations under this Agreement except the obligations set out in Section 5.3 (if applicable) and Article 6, which provisions shall survive the termination of this Agreement, and as otherwise expressly contemplated by this Agreement, and provided

that neither the termination of this Agreement nor anything contained in this Article 5 shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

5.3 Termination Fee

If this Agreement is terminated pursuant to Sections 5.1(c) or 5.1(d), then, in either such case, Contrans shall pay to the Offeror, sixteen million nine hundred four thousand five hundred ninety dollars (\$16,904,590), being an amount equal to three decimal twenty-five percent (3.25%) of the total value of the Offer (on a Fully-Diluted Basis) plus Canadian federal goods and services tax (GST), if any (the “**Termination Fee**”) by wire transfer in immediately-available funds to an account designated by the Offeror. Such payment shall be made within five (5) Business Days after the date of termination pursuant to Section 5.1(c) and, in the case of a termination under Section 5.1(d), such payment shall be made immediately prior to the termination of this Agreement. Contrans shall not be obligated to make more than one (1) payment pursuant to this Section 5.3.

5.4 Amendment

This Agreement may not be amended, except by written instrument signed by each of the Parties hereto.

5.5 Waiver

At any time on or prior to the Effective Date, the Offeror and Parent, on the one hand, and Contrans, on the other, may in writing and executed by the Party hereto granting such waiver or right: (i) extend the time for the performance of any of the obligations or other acts of the other; or (ii) waive compliance with any of the obligations, covenants or agreements of the other or with any conditions to its own obligations, subject to Sections 2.1(b) and 4.6(c), and in each case only to the extent such obligations, covenants, agreements and conditions are intended for its benefit. For greater certainty, Contrans cannot waive compliance with Section 4.6.

ARTICLE 6 GENERAL PROVISIONS

6.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or e-mail transmission unless actually received after 5:00 p.m. (Toronto time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day, or as of the following Business Day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to Contrans:

Contrans Group Inc.
PO Box 1669, 1179 Ridgeway Road
Woodstock, Ontario N4S 0A9
Attention: Gregory Rumble, President & Chief Operating Officer
Facsimile: (519) 539-9220
Email: grumble@contrans.ca

with a copy (which shall not constitute notice) to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2
Attention: Alison Manzer
Facsimile: (416) 350-6938
E-mail: amanzer@casselsbrock.com

(b) if to Offeror and Parent:

TransForce Inc.
8801 Trans-Canada Hwy
Suite 500
Saint-Laurent, Québec H4S 1Z6
Attention: Alain Bédard, Chairman, President and Chief Executive Officer
and Josiane-M. Langlois, Vice-President, Legal Affairs and
Corporate Secretary
Facsimile: (514) 337-4200
E-mail: abedard@transforcecompany.com and
jlanglois@transforcecompany.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
800 Place Victoria
Suite 3700
Montreal, Québec H4Z 1E9
Attention: Neil Wiener and Caitlin Rose
Facsimile: (514) 397-7600
E-mail: nwiener@fasken.com; crose@fasken.com

6.2 Entire Agreement, Binding Effect and Assignment

This Agreement shall be binding on and shall enure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement (including the Schedules hereto), the Disclosure Letter and the Non-Disclosure Agreement constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof and thereof. The Offeror or Parent may assign all or any part of its rights and/or obligations under this Agreement to an Affiliate of Parent,

provided that the Offeror or Parent, as applicable, shall remain jointly and severally liable with its assignee for any obligations hereunder. This Agreement shall not otherwise be assignable by either Party without the prior written consent of the other. Parent and Offeror hereby confirm that they remain bound by the terms of the Non-Disclosure Agreement in accordance with the terms thereof, notwithstanding that this Agreement may be terminated for any reason whatsoever.

6.3 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

6.4 No Third-Party Beneficiaries

Except as provided in Section 4.6, this Agreement is not intended to confer any rights or remedies upon any Person other than the Parties to this Agreement.

6.5 Time of Essence

Time shall be of the essence of this Agreement.

6.6 Remedies

The Parties acknowledge and agree that an award of money damages alone would be inadequate for any breach of this Agreement by any Party or its representatives and any such breach would cause the non-breaching party irreparable harm. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by one of the Parties, a non-breaching Party may also be entitled to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the Parties.

6.7 Expenses

Except as otherwise provided herein, the Parties agree that all costs and expenses of the Parties relating to the Offer and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such expenses.

6.8 Governing Law

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein, and shall be

construed and treated in all respects as an Ontario contract. Each party to this Agreement irrevocably attorns to and submits to the jurisdiction of the Courts of the Province of Ontario with respect to any matter arising under or relating to this Agreement and the Offer.

6.9 Rules of Construction

The Parties to this Agreement have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any Laws or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

6.10 Counterparts and Signature

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

(remainder of this page left blank intentionally)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

TRANSFORCE INC.

Per: (signed) Alain Bédard
Name: Alain Bédard
Title: Chairman, President and Chief
Executive Officer

2420785 ONTARIO INC.

Per: (signed) Alain Bédard
Name: Alain Bédard
Title: President

CONTRANS GROUP INC.

Per: (signed) Stanley G. Dunford
Name: Stanley G. Dunford
Title: Chairman and Chief Executive
Officer

SCHEDULE A CONDITIONS OF THE OFFER

The Offer shall not be subject to any conditions other than the following:

- (a) there shall have been validly deposited pursuant to the Offer and not withdrawn, at the Expiry Time, (i) such number of Class A Shares which represents (A) at least 66⅔% of the outstanding Class A Shares, and (B) at least a majority of the outstanding Class A Shares the votes of which would be included in any minority approval of a Subsequent Acquisition Transaction pursuant to MI 61-101; and (ii) such number of Class B Shares which represents at least 66⅔% of the outstanding Class B Shares, calculated in each case on a Fully-Diluted Basis (collectively the “**Minimum Tender Condition**”);
- (b) the Regulatory Approvals shall have been obtained or concluded or, in the case of waiting or suspensory periods, expired or been terminated;
- (c) no judgment of a court of competent jurisdiction enforceable against the Offeror, Parent or Contrans shall have been rendered, and no Law shall have been enacted, promulgated or applied, in either case, to enjoin, prohibit or impose material limitations on the purchase of Shares by the Offeror pursuant to the Offer, or the ability of the Offeror to exercise full rights of ownership of the Shares purchased pursuant to the Offer;
- (d) since the date of this Agreement, there shall not exist or have occurred any Material Adverse Effect;
- (e) this Agreement shall not have been terminated by Contrans or by the Offeror or Parent in accordance with its terms;
- (f) the representations and warranties of Contrans contained in Section 3.1 shall be true and correct as of the Expiry Time as if made at such time (except for those expressly stated to speak at or as of an earlier time), except for untrue or incorrect representations and warranties which, individually or in the aggregate, do not constitute a Material Adverse Effect or prevent, restrict or materially delay the consummation of the Offer;
- (g) Contrans shall not have breached any of its covenants or obligations under this Agreement, except for breaches which, individually or in the aggregate, do not constitute a Material Adverse Effect or prevent, restrict or materially delay the consummation of the Offer; and
- (h) the Board shall not have withdrawn, modified or changed in a manner adverse to the Offeror or Parent its approval or recommendation of this Agreement or the Offer, or approved or recommended any Acquisition Proposal.

SCHEDULE B
FORM OF LOCK-UP AGREEMENT

See annexed document.

LOCK-UP AGREEMENT

THIS AGREEMENT is made as of July 24, 2014,

AMONG: [●], residing in [●], [●] (“**Holder**”)

AND: **2420785 ONTARIO INC.**, a corporation incorporated under the laws of Ontario (the “**Offeror**”)

AND: **TRANSFORCE INC.**, a corporation incorporated under the laws of Canada (“**Parent**”)

WHEREAS the Holder, or one or more corporations, all of the issued and outstanding shares of which are owned directly or indirectly by the Holder, is the registered and beneficial owner of such number of Class A Shares (as defined below) and Class B Shares (as defined below) in the share capital of Contrans Group Inc. (“**Contrans**”) as set out in Schedule A hereto (collectively, the “**Holder Shares**”);

AND WHEREAS the Holder understands that the Offeror, Parent and Contrans are, concurrently with the execution and delivery of this Agreement, executing and delivering the Support Agreement providing for the Offer;

AND WHEREAS this Agreement sets out the terms and conditions of the agreement of the Holder to (i) tender his Holder Shares to the Offer; and (ii) comply with the restrictions and covenants set out herein;

AND WHEREAS the Holder enters into this Agreement upon the basis that he is permitted under the Offer to (i) engage in a re-organization of the holdings of the Shares in which he, directly or indirectly, has a beneficial interest prior to the take-up of the Shares by the Offeror under the Offer; and (ii) use the Holdco Alternative to tender to the Offeror all or some of his Holder Shares, and the Offeror and Parent acknowledge and agree that the Holder enters into this Agreement upon such basis;

AND WHEREAS the Holder acknowledges that the Offeror and Parent would not enter into the Support Agreement but for the execution and delivery of this Agreement by the Holder.

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the respective agreements and covenants herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings:

“Acquisition Proposal” means, other than the transactions contemplated by the Support Agreement and other than any transaction involving Parent or Offeror or one or more of their Affiliates, any take-over bid or offer for twenty percent (20%) or more of the issued and outstanding Class A Shares or Class B Shares or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, share exchange, reorganization, business combination, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving Contrans or any of the Subsidiaries or any proposal or offer to acquire in any manner a twenty percent (20%) or greater equity or beneficial interest in, or a material amount of the assets of, Contrans;

“Affiliates” has the meaning ascribed thereto in the Securities Act;

“Agreement” means this agreement and all schedules and attachments annexed hereto, all as the same may be amended from time to time;

“Alternative Transaction” has the meaning ascribed thereto in Section 3.5 hereof;

“Board” means the board of directors of Contrans;

“Business Day” means any day other than a Saturday, Sunday or a statutory holiday in the City of Toronto, Ontario or in the City of Montreal, Québec;

“Class A Shares” means the Class A Subordinate Voting shares in the share capital of Contrans;

“Class B Shares” means the Class B Multiple Voting shares in the share capital of Contrans;

“Contrans” means Contrans Group Inc.;

“Encumbrances” means mortgages, charges, hypothecs, pledges, security interests, liens, encumbrances, actions, claims, demands, equities, leases, offers to lease, privileges, license agreements, title-retention agreements, trust deeds, assignments by way of security, conditional sales contracts or other title-retention agreements, or other similar interests or instruments charging, or creating a security interest in, or against title, restrictions, development or similar agreements, restrictive covenants, title defects, restrictions, executions, tax arrears, permissions, options or adverse claims or encroachments of any nature whatsoever or however arising, or any agreement to enter into or create any of the foregoing and any rights and privileges (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Expiry Time” means the Initial Expiry Time or any subsequent time set out in any notice of the Offeror extending such period during which Shares may be deposited under the Offer in accordance with Section 2.1(d) of the Support Agreement;

“Governmental Entity” means any applicable: (i) domestic or foreign national, federal, provincial, state, county, local, municipal or regional government or body;

(ii) multinational, multilateral or international body; (iii) subdivision, agency, commission, board, instrumentality or authority of any of the foregoing governments or bodies; (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing governments or bodies; (v) domestic, foreign, international, multilateral or multinational judicial, quasi-judicial, arbitration or administrative court, tribunal, commission, board or panel; or (vi) person employed by, acting for, or on behalf of, any of the foregoing bodies;

“Holder Shares” has the meaning ascribed thereto in the preamble of this Agreement;

“Initial Expiry Time” means 12:01 a.m. (Toronto time) on the thirty-sixth (36th) day after the date on which the Offer is commenced within the meaning of the Securities Act, provided that, if such day is not a Business Day, then the Initial Expiry Time shall be at the same time on the next Business Day;

“Laws” means all laws (including common law and civil law), by-laws, statutes, rules, regulations, orders, ordinances, judgments, decrees, policies, injunctions, writs, certificates or other requirements of a Governmental Entity, whether domestic or foreign, having the force of law;

“OBCA” means the *Business Corporations Act* (Ontario), as now in effect and as may be promulgated or amended from time to time;

“Options” means outstanding options to purchase Class A Shares granted under the Stock Option Plan;

“Person” means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government (including any Government Entity), governmental agency or board or commission or authority, and any other form of entity or organization, whether or not a legal person;

“Securities Act” means the *Securities Act* (Ontario) and the rules and regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“Shareholders” means the holders of Shares;

“Shares” means collectively the Class A Shares and Class B Shares;

“Subsidiary” means a “subsidiary,” as defined in National Instrument 45-106 — *Prospectus and Registration Exemptions*, of Contrans;

“Support Agreement” means the Support Agreement of even date herewith among Contrans, the Offeror and Parent;

“Taxes” means any and all domestic and foreign federal, provincial, territorial, state, municipal, regional and local taxes, assessments and other governmental charges, duties, impositions and liabilities imposed by any Governmental Entity, including Canada

Pension Plan and provincial pension plan contributions, instalments, unemployment insurance contributions and employment insurance contributions, workers' compensation and deductions at source, including taxes based on or measured by gross receipts, income, profits, sales, capital, use, and occupation, and including goods and services, value added, *ad valorem*, transfer, franchise, withholding, customs, payroll, recapture, employment, excise and property duties and taxes, together with all interest, penalties, fines and additions imposed with respect to such amounts; and

"Tax Returns" means all reports, forms, elections, designations, schedules, statements, estimates, declarations of estimated tax, information statements and returns required to be filed with a Governmental Entity with respect to Taxes.

1.2 Definitions in Support Agreement

All terms used in this Agreement that are not defined in Section 1.1 or elsewhere herein and that are defined in the Support Agreement shall have the respective meanings ascribed to them in the Support Agreement.

ARTICLE 2 COVENANTS OF THE OFFEROR AND PARENT

2.1 Offeror to Make Offer

The Offeror shall make or cause the Offer to be made on the terms and conditions set out in the Support Agreement.

2.2 Other Covenants of the Offeror and Parent

2.2.1 The Offeror and Parent hereby covenant and irrevocably agree in favour of the Holder that the Offeror and Parent will comply with their respective obligations set out in the Support Agreement and will not amend or waive any provision under the Offer or the Support Agreement to provide for a lesser Offer Price or in any respect that is adverse to the interests of the Holder without the prior written consent of the Holder; provided that the Offeror may, without such consent, amend the terms of the Offer to: (i) increase the Offer Price, (ii) extend the Expiry Time from time to time in accordance with the Support Agreement and the Securities Laws to a date not later than the Outside Date, or (iii) to the extent that it has the right to do so under the Support Agreement, waive any condition of the Offer or the Support Agreement.

2.2.2 Notwithstanding any other provision hereof, but subject to the conditions of Section 2.10 of the Support Agreement, the Offeror will permit the Holder to tender to the Offer through the use of the Holdco Alternative and the Holder shall be permitted to effect all transactions necessary or desirable to reorganize in order to accept the Holdco Alternative, provided that the Holder shall not, without the prior written consent of the Offeror and Parent, which shall not be unreasonably withheld, conditioned or delayed, directly or indirectly settle or compromise any material Tax claim, assessment, reassessment or liability, file any material

amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods of reporting income, deductions or accounting for income Tax purposes, in each case except as may be required by Law.

- 2.2.3 For greater certainty, for the purposes of this Agreement, the term “**Holder Shares**” shall refer to all the Shares and Qualifying Holdco Shares that the Holder is required to tender under the Offer pursuant to the terms of this Agreement and any Holdco Alternative, and shall include all shares or other securities into or for which the Holder Shares may be converted, exchanged or otherwise changed pursuant to any reorganization, merger, amalgamation or other transaction involving the Shares prior to the acquisition of the Holder Shares by the Offeror.

ARTICLE 3 COVENANTS OF THE HOLDER

3.1 Deposit of the Holder Shares under the Offer

The Holder hereby agrees with the Offeror and Parent that it will, on or before the date that is 15 days prior to the Initial Expiry Time, tender or cause all of its Holder Shares to be validly tendered or agree to transfer all of the Holder’s Qualifying Holdco Shares pursuant to a Holdco Agreement in acceptance of the Offer together with any documents required in accordance with the Offer, and will not withdraw such shares, or terminate such Holdco Agreement, subject to Section 3.2, from the Offer except as expressly otherwise provided in this Agreement or except with the prior written consent of the Offeror.

3.2 Withdrawal of Holder Shares

The Holder will be permitted to withdraw the Holder Shares deposited under the Offer, or to terminate the Holdco Agreement in respect of the transfer of the Holder Shares, in order to support or vote in favour of, or tender or deposit the Holder Shares to, an Acquisition Proposal, if and only if such Acquisition Proposal is a Superior Proposal and Contrans has complied with Section 4.4(e) of the Support Agreement.

3.3 Non-Solicitation

On the terms and subject to the conditions of this Agreement (including Article 4 hereof), the Holder hereby irrevocably covenants and agrees in favour of the Offeror and Parent that it shall as of the date hereof:

- 3.3.1 not, directly or indirectly through any shareholder, officer, director, employee, representative or agent of the Holder or any of its Affiliates, take any action of any kind which might reduce the likelihood of, or interfere with, the completion

of the Offer, including, but not limited to, any action to (i) solicit, assist, initiate or encourage (including by way of furnishing non-public information, soliciting proxies (within the meaning of the Securities Act) or entering into any form of agreement or arrangement) any inquiries, submissions, proposals or offers regarding any Acquisition Proposal; (ii) participate in any discussions or negotiations regarding any Acquisition Proposal; (iii) influence the Board to withdraw or modify in a manner adverse to the Offeror its approval of the transactions contemplated in the Support Agreement; (iv) cause Contrans to enter into any agreement related to any Acquisition Proposal; (v) approve or recommend any Acquisition Proposal, except in accordance with the terms of this Agreement; or (vi) otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort or attempt by any other Person to do any of the foregoing; and

- 3.3.2 immediately cease, and cause any shareholder, director, officer, employee, agent or representative of the Holder or any of its Affiliates to immediately cease, all current discussions and negotiations regarding any proposal that constitutes or may reasonably be expected to lead to, an Acquisition Proposal.

3.4 Reorganization of the Holder

Any corporation, all of the issued and outstanding shares of which are owned directly or indirectly by the Holder, shall have the right directly or indirectly to take such actions as are necessary or desirable to reorganize its capital, assets and structure as the Holder may reasonably determine including, without limitation, winding up, amalgamating with one or more corporations or otherwise ceasing to exist; provided, however, that (i) no such reorganization will be undertaken unless each Person who receives any of the Holder Shares or Qualifying Holdco Shares currently owned directly or indirectly by the Holder enters into a counterpart of this Agreement in relation to such shares and agrees to be bound hereby in relation to such shares to the same extent as the Holder is bound hereby, (ii) the Holder will remain bound hereby, and (iii) the transaction is not adverse to the Offeror in connection with the Offer, or the Offeror's ability to acquire the Holder Shares or Qualifying Holdco Shares beneficially owned directly or indirectly by the Holder pursuant to the Offer and the other transactions contemplated by the Support Agreement and this Agreement.

3.5 Alternative Transaction

If the Offeror and Parent conclude after the date of this Agreement that it is necessary or desirable to proceed with a form of transaction other than the Offer (including, without limitation, a plan of arrangement or amalgamation) whereby the Offeror and/or its Affiliates would effectively acquire all the Shares on economic and other terms and conditions (including, without limitation, tax treatment) having consequences to the Holder that are equivalent to or better than those contemplated by the Support Agreement (any such transaction is referred to as an "**Alternative Transaction**") and the Board recommends that Shareholders approve or support the Alternative Transaction, the Holder agrees to support the completion of the Alternative Transaction in the same

manner as the Offer, including by voting the Holder Shares in favour of the Alternative Transaction.

3.6 Inconsistent Transactions

Until the termination of the Support Agreement, the Holder irrevocably covenants and agrees in favour of the Offeror and Parent to vote or to cause to be voted the Holder Shares against any Acquisition Proposal at any meeting of Shareholders held to consider any Acquisition Proposal.

3.7 Breach of Covenants

The Holder shall promptly advise the Offeror, at first orally and then in writing, of any breach by the Holder of any covenant or agreement contained in this Agreement.

ARTICLE 4 FIDUCIARY DUTIES OF THE HOLDER

- 4.1** The Offeror and Parent agree and acknowledge that the Holder is bound hereunder solely in his or its capacity as a shareholder of Contrans and that the provisions of this Agreement shall not and shall not be deemed or interpreted to bind the Holder or any of its directors, officers or principal shareholders in their capacity as director or officer of Contrans or any of its Subsidiaries. For the avoidance of doubt, a Holder or a shareholder, officer or director of a Holder that is a director or officer of Contrans shall not be limited or restricted in any way whatsoever in the exercise of his fiduciary duties as a director or officer of Contrans, including without limitation, responding in his capacity as a director of Contrans to a *bona fide* written Acquisition Proposal and providing information to such party.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Holder

The Holder represents and warrants to and in favour of the Offeror and Parent as follows and acknowledges that the Offeror and Parent are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

5.1.1 Authority and Capacity.

- (a) If a corporation, such Holder is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has the right, corporate power and authority to enter into this Agreement and to perform all of such Holder's obligations under this Agreement. Such Holder, its shareholders and board of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize the entering into and the execution, delivery and performance of this Agreement.

- (b) If an individual, such Holder is of the full age of majority and is legally competent to enter into this Agreement and to perform all of such Holder's obligations under this Agreement.

5.1.2 No Violation. The approval of this Agreement, the execution and delivery by the Holder of this Agreement and the performance by the Holder of its obligations hereunder, will not result in a violation of, default under or breach of, require any consent to be obtained under or give rise to any rights of a third party under any provision of:

- (a) its certificate of incorporation, constating documents, by-laws or other charter documents of the Holder, if applicable;
- (b) any shareholders' agreement or any other similar agreement or understanding with any party to which the Holder is a party; or
- (c) any applicable Laws.

5.1.3 Ownership. The Holder, or a Qualifying Holdco, all the shares of which are owned directly or indirectly by the Holder is, subject to Section 3.4 hereof, the sole registered and beneficial owner of the Holder Shares, with good and marketable title thereto free as of the date of acceptance of the Offer pursuant to Section 3.1 hereof of any and all Encumbrances. No Person (other than a Qualifying Holdco) has any rights (whether pre-emptive or contractual) capable of becoming an agreement for the purchase of all or any portion of the Holder Shares or of any interest therein. The Holder (or, if applicable, a Qualifying Holdco in respect of the Holder) is not the registered or beneficial owner directly or indirectly of any Shares or Options other than (i) the Holder Shares, and (ii) the Options held by the Holder set out in Schedule A hereto.

5.1.4 Non-Arms' Length Transactions. The Holder is not a party to any agreement or understanding with Contrans or any of its Subsidiaries or any officer, director or employee of Contrans or any of its Subsidiaries capable of becoming an agreement or option, for the purchase or acquisition by the Holder of any additional Shares or other securities of Contrans, other than any Options set out in Schedule A hereto.

5.1.5 Approvals and Consents. Other than the Competition Act Approval and Transportation Act Approval, no sanction, ruling, consent, order, exemption, permit, declaration, filing, waiver or other approval of any Governmental Entity or other Person is required to be obtained by the Holder in connection with the execution and delivery of this Agreement, the performance by the Holder of its obligations hereunder and the consummation by the Holder of the transactions contemplated hereby.

5.2 Representations and Warranties of the Offeror and Parent

The Offeror and Parent jointly represent and warrant to and in favour of the Holder as follows and acknowledge that the Holder is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

5.2.1 Organization. Each of the Offeror and Parent has been duly incorporated under all applicable Laws, and is validly subsisting under the laws of its jurisdiction of incorporation. Each of the Offeror and Parent has the requisite corporate power and authority to own and lease its properties and carry on its business as currently owned and carried on.

5.2.2 Authority and Capacity.

(a) Each of the Offeror and Parent has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by each of the Offeror and Parent and the consummation by each of the Offeror and Parent of the transactions contemplated by this Agreement have been duly authorized by their respective board of directors and no other proceedings on their part are necessary to authorize this Agreement or the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by each of the Offeror and Parent and constitutes legal, valid and binding obligations, enforceable against each of the Offeror and Parent in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, to general principles of equity, and to Competition Act Approval and Transportation Act Approval.

5.2.3 No Violation. The approval of this Agreement, the execution and delivery by each of the Offeror and Parent of this Agreement, the performance by each of the Offeror and Parent of its obligations hereunder, and the completion of the Offer, will not result in a violation of, default under or breach of, require any consent to be obtained under or give rise to any termination rights by a third party or payment obligation by any of the Offeror or Parent under any provision of:

(i) its certificate of incorporation, constating documents, by-laws, memorandum of association, articles of association or other charter documents, including any shareholders' agreement or any other agreement or understanding with any party holding an ownership interest in it and any contract to which Offeror or Parent is a party or by which Offeror or Parent are bound; or

(ii) any applicable Laws.

5.2.4 Approvals and Consents. Other than the Competition Act Approval and Transportation Act Approval, no sanction, ruling, consent, order, exemption,

permit, declaration, filing, waiver or other approval of any Governmental Entity or other Person is required to be obtained by either of the Offeror or Parent in connection with the execution and delivery of this Agreement, the performance by the Offeror or Parent of its obligations hereunder, or the consummation by either of the Offeror or Parent of the transactions contemplated hereby.

5.2.5 Proceedings, Claims, Investigations. There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Offeror or Parent, threatened against the Offeror or Parent or any of their properties that, individually or in the aggregate, could reasonably be expected to have any adverse effect on the Offeror's or Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

5.3 Survival

The representations and warranties of the parties set out in this Article 5 shall survive the termination of this Agreement and the completion of the Offer and shall continue in full force in effect for the benefit of the other party.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Termination by the Holder or the Offeror and Parent

This Agreement may be terminated:

6.1.1 by the mutual written consent of the Holder and the Offeror;

6.1.2 by the Holder if,

- (a) when not in material default in its performance of its obligations hereunder:
 - (A) the Offeror or Parent is in default of any material covenant or obligation under this Agreement; or
 - (B) any representation or warranty of the Offeror or Parent under this Agreement is untrue or incorrect in any material respect, or shall have become untrue or incorrect in any material respect at any time prior to the Expiry Time, and such default or inaccuracy is incapable of being cured or is not cured by the Offeror or Parent, as applicable, within ten (10) days of written notice thereof;
- (b) the Holder Shares have not been taken up and paid for by the Offeror by the Outside Date;

- (c) there is any decrease or adverse change in the Offer Price set out in the Support Agreement;
- (d) the Holdco Alternative is not made available to the Holder or any election to use the Holdco Alternative is not accepted by the Offeror in accordance with the terms of this Agreement and the Support Agreement; or
- (e) the conditions to the consummation of the Support Agreement as set forth in the Support Agreement are amended or the terms of the Support Agreement are otherwise varied in a manner that is adverse to the Holder;

6.1.3 by the Offeror, when neither the Offeror nor Parent is in material default in its performance of its obligations hereunder, if (i) the Holder is in default of any material covenant or obligation under this Agreement, or (ii) any representation or warranty of the Holder under this Agreement is untrue or incorrect in any material respect, or shall have become untrue or incorrect in any material respect at any time prior to the Expiry Time, and such default or inaccuracy is incapable of being cured or is not cured by the Holder within ten (10) days of written notice thereof.

6.2 Automatic Termination

Unless extended by mutual agreement of the Holder, the Offeror and Parent, this Agreement shall automatically terminate on the Effective Date. In addition, this Agreement shall automatically terminate on the first to occur of (i) the Expiry Time, and (ii) the date on which the Support Agreement is terminated by the Offeror, Parent or Contrans in accordance with its terms.

6.3 Effect of Termination

If this Agreement is terminated in accordance with this Article 6, the provisions of this Agreement will become void and no party shall have liability to any other party, except in respect of a breach of this Agreement which occurred prior to such termination and the Offeror shall no longer be required to make or pursue the Offer and, if the Offer has been made, the Holder shall, without limitation, be entitled to withdraw the Holder Shares from the Offer (and, if applicable, to terminate any Holdco Agreement to which the Holder is a party). Nothing herein shall preclude a party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set out in this Agreement or otherwise to obtain specific performance of such covenants or agreements.

6.4 Amendments

This Agreement may not be modified, amended, altered or supplemented except in the manner contemplated herein and upon the execution and delivery of a written agreement executed by all parties.

ARTICLE 7 GENERAL

7.1 Notices

All notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally, by telecopy or e-mail, in each case addressed to the particular party at:

7.1.1 Holder, as follows:

Telecopier: _____

E-mail: _____

Telephone: _____

With a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Alison Manzer
Facsimile: (416) 350-6938
E-mail: amanzer@casselsbrock.com

7.1.2 the Offeror and Parent, as follows:

TransForce Inc.
8801 Trans-Canada Hwy
Suite 500
Saint-Laurent, Québec H4S 1Z6

Attention: Alain Bédard, Chairman, President and Chief Executive Officer
and Josiane-M. Langlois, Vice-President, Legal Affairs and
Corporate Secretary
Facsimile: (514) 337-4200
E-mail: abédard@transforcecompany.com and
jlanglois@transforcecompany.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
800 Place Victoria
Suite 3700
Montreal, Québec H4Z 1E9

Attention: Neil Wiener and Caitlin Rose
Facsimile: (514) 397-7600
E-mail: nwiener@fasken.com; crose@fasken.com

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery, telecopying or e-mailing thereof.

7.2 Assignment

This Agreement shall not be assigned by any party hereto without the prior written consent of the other parties, such consent not to be unreasonably withheld, except that Parent or Offeror may assign this Agreement to any of its wholly-owned Affiliates without the prior consent of the Holder.

7.3 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of another party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform, carry out or better evidence the terms and intent hereof.

7.4 Public Announcements

Except to the extent required by Law, no public announcement or press release concerning the matters referred to in this Agreement may be made by the Offeror and Parent or the Holder without the prior written consent of the other party, such consent not to be unreasonably withheld. Except to the extent required by Law, no copy of this Agreement may be provided by the Offeror and Parent or the Holder to any other person, except their respective directors, officers, employees, advisors or lenders, without the prior written consent of the other party, such consent not be unreasonably withheld. Notwithstanding the foregoing, this Agreement may be publicly filed on SEDAR by Contrans and the provisions of this Agreement may be summarized in the Bid Circular and the Directors' Circular, and in any material change report filed by Contrans or the Parent in connection with the public announcement of the Offer.

7.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and shall be treated in all respects as an Ontario contract. Each party to this Agreement irrevocably attorns to and submits to the jurisdiction of the Courts of Ontario with respect to any matter arising under or relating to this Agreement.

7.6 Invalidity of Provisions

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

7.7 Counterparts and Signature

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

7.8 Investigation by Parties

No investigations made by or on behalf of any party or any of their respective authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other party in or pursuant to this Agreement.

7.9 Time

Time shall be of the essence of this Agreement.

7.10 No Third-Party Beneficiaries

This Agreement shall be binding upon and enure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

7.11 Expenses

Each of the parties shall pay its own legal, financial, advisory, accounting and other costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and the Offer and any other costs and expenses whatsoever and howsoever incurred.

7.12 Waiver

No waiver, whether by conduct or otherwise, of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in an instrument duly executed by the parties to be bound thereby.

7.13 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles, sections, paragraphs, Schedules and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article”, “section”, “paragraph” or “Schedule” followed by a number and/or a letter refer to the specified Article, section, paragraph or Schedule of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including the Schedules hereto) and not to any particular Article, section, paragraph or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

7.14 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the terms of the Offer and ancillary arrangements and supersedes all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the terms of the Offer and such arrangements.

(remainder of this page left blank intentionally)

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

TRANSFORCE INC.

2420785 ONTARIO INC.

Per: _____
Name: Alain Bédard
Title: Chairman, President and Chief
Executive Officer

Per: _____
Name: Alain Bédard
Title: President

Name of Holder

SCHEDULE A
OWNERSHIP OF SHARES AND STOCK OPTIONS

Name of Registered and Beneficial Owner	Number of Class A Subordinate Voting Shares	Number of Class B Multiple Voting Shares

Name of Optionee	Number of Stock Options held for Class A Subordinate Voting Shares