



TRIMAC TRANSPORTATION LTD.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2014**

March 6, 2015

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FORWARD LOOKING STATEMENTS

Certain statements in this AIF may contain “forward looking information” relating, but not limited to, management’s expectations, intentions, plans and beliefs regarding Trimac’s future performance, opportunities and growth prospects, results of operations, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned expansion and regulatory obligations, including those related to environmental matters and the impact of general industry conditions in the Canadian bulk trucking industry. Statements containing forward looking information are not based on historical facts but instead reflect management’s current beliefs and assumptions based on information in its possession on the date of this AIF. Statements containing forward looking information by their nature involve numerous assumptions and significant known and unknown risks and uncertainties, of both a general and a specific nature. A number of factors could cause actual results to differ materially from the results suggested by the forward looking information including risks related to general economic conditions affecting the Business, potential undisclosed liabilities that may affect the Business, dependence on certain personnel, labour relations, the availability and cost of insurance, capital expenditures, exchange rate fluctuations, reliance on major customers, regulatory changes that may affect the Business, environmental considerations, the impact of weather conditions on the Business, the seasonality of the Business, information technology disruptions, the termination of certain services provided under the Shared Services Agreement, leverage and restrictive covenants under Trimac’s credit facilities or other borrowings, litigation, competitive conditions, availability of future financing for the Business, Trimac’s ability to sustain and manage its growth, and restrictions that may inhibit Trimac’s future growth, many of which are beyond the control of Trimac’s management. See “Risk Factors”. Although any forward looking information contained in this AIF is based upon assumptions believed to be reasonable by management, the Corporation cannot assure investors that actual results will be consistent with any such forward looking information. **Prospective investors are cautioned not to place undue reliance on any forward looking information contained in this AIF.** Unless otherwise indicated, information presented and statements made in this AIF are presented and made as of the date of this AIF and, except where required by law, the Corporation assumes no obligation to update or revise any such information or statements to reflect new events or circumstances occurring after such date.

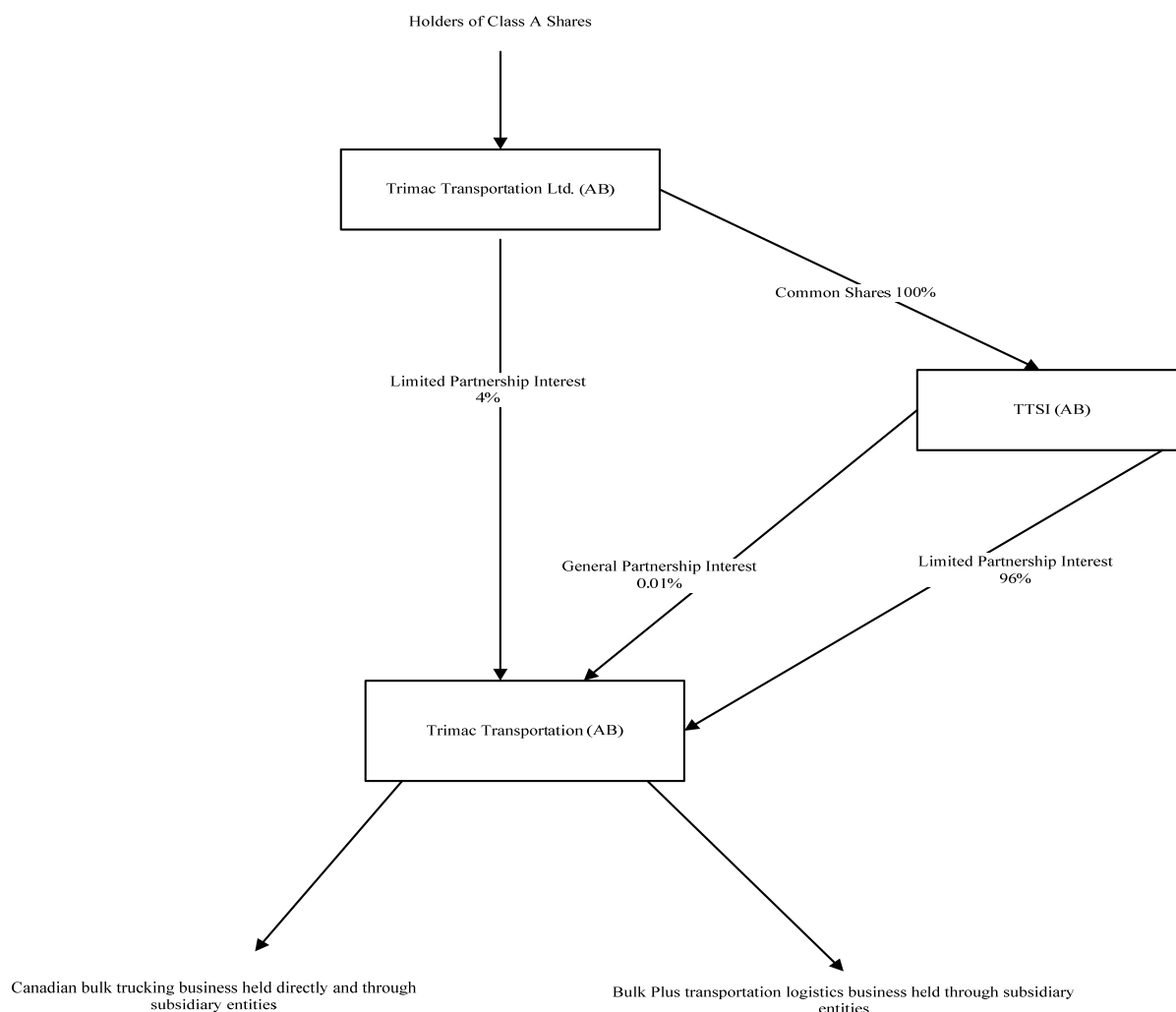
TRIMAC TRANSPORTATION LTD.

General

The Corporation was incorporated under the laws of the Province of Alberta on October 19, 2010. The head office and registered office of the Corporation is located at 3215 – 12th Street NE, Calgary, Alberta, T2E 7S9. The Corporation was created to participate in the Conversion. Pursuant to the Conversion, the Corporation acquired all of the issued and outstanding Units, all of the issued and outstanding TTSI Exchangeable Shares and all of the issued and outstanding common shares in the capital of TTSI. Following the completion of the Conversion, the Corporation directly owned and controlled all of the issued and outstanding common shares in the capital of TTSI and directly owns a 4% limited partnership interest in Trimac Transportation. The Corporation indirectly owns, through TTSI, a 0.01% general partnership interest and a 96% limited partnership interest in Trimac Transportation.

Structure of the Corporation

The following diagram sets out the organizational structure of the Corporation as of the date hereof:



Voting Securities and Principal Holders Thereof

Principal Holders

As of March 6, 2015, there were 28,092,051 Shares outstanding on a non-diluted basis. Each Share entitles the holder to one vote on all matters to be acted upon at Shareholder meetings. For the purposes of this section, unless otherwise specified, the number of Shares and percentages reported herein are disclosed on a non-diluted basis.

To the knowledge of the Directors and executive officers of the Corporation, no person, firm, corporation or other entity beneficially owns, or exercises control or direction over, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, except for:

Name	Class of Voting Securities	Number of Shares Owned	Type of Ownership	Percentage of Class
Trimac Holdings Ltd. ⁽¹⁾⁽²⁾	Class A Shares	15,836,777	Of Record, Direct and Indirect Beneficial Ownership	56.37%
Jeffrey J. McCaig. ⁽¹⁾⁽²⁾⁽³⁾	Class A Shares	15,836,777	Indirect and Deemed Beneficial Ownership	56.37%
	Class A Shares	1,049,809	Indirect and Deemed Beneficial Ownership	3.78%

Notes:

- (1) Trimac Holdings Ltd. ("Trimac Holdings") and a wholly-owned subsidiary of Trimac Holdings (Trimac Holdings and such wholly-owned subsidiary of Trimac Holdings are referred to herein as "THL") are the holders of 15,836,777 Shares. Trimac Holdings is indirectly controlled by Jeffrey J. McCaig. While THL is the holder of such Shares, THL does not exercise control or direction over any such Shares. Jeffrey J. McCaig is the indirect beneficial owner of, or exercises control or direction over, 11,664,154 Shares held by THL. Control or direction over the remaining Shares held by THL is exercised by shareholders of Trimac Holdings other than Jeffrey J. McCaig.
- (2) Applicable securities laws deem Jeffrey J. McCaig to be the beneficial owner of all Shares that are beneficially owned by any issuer controlled by Jeffrey J. McCaig or by an affiliate of such issuer. Trimac Holdings is indirectly controlled by Jeffrey J. McCaig. While THL holds such Shares, THL does not exercise control or direction over any such Shares. Jeffrey J. McCaig is the indirect beneficial owner of, or exercises control or direction over, 11,664,154 Shares held by THL. Jeffrey J. McCaig is also the indirect beneficial owner of, or exercises control and direction over, 1,049,809 Shares held outside of THL.
- (3) On an aggregate basis, both through and outside of THL, Jeffrey J. McCaig is the indirect beneficial owner of, or exercises control or direction over, 12,713,963 Shares representing approximately 45.26% of the outstanding voting securities of the Corporation.

Ownership of Voting Securities by Directors and Officers

Based on information provided by the Directors and executive officers of the Corporation, such Directors and executive officers (excluding Jeffrey J. McCaig and Maurice W. McCaig), beneficially own or exercise control or direction over, directly or indirectly, an aggregate of 186,760 Shares.

GENERAL DEVELOPMENT OF THE BUSINESS

On January 1, 2011, pursuant to the Conversion, the Corporation indirectly acquired all of the issued and outstanding limited partnership interests and the general partnership interest in Trimac Transportation by way of the acquisition of all of the issued and outstanding Units and all of the issued and outstanding shares in the capital of TTSI.

Trimac is Canada's largest bulk trucking services provider with operations from coast to coast. Trimac is engaged in transporting a diverse range of products for a large, well-established customer base. In addition, through subsidiaries, Trimac provides complementary logistics services in Canada and the United States, including transload facility operations in Canada, distribution management, freight brokerage services and transportation consulting services.

Trimac has been operated through a number of predecessor corporations since 1945 when J.W. McCaig, the father of J.R. McCaig and the grandfather of J.J. McCaig, founded Trimac. Trimac has grown both internally and through acquisitions. In 1971, Trimac Limited, a predecessor to TTSI, became a public company. Following 1971, Trimac Limited was also involved in the truck leasing and maintenance business, the oil and gas services business, including the oil and gas drilling business, and the waste and environmental management services business, as well as investments in a range of other operating businesses. J.R. McCaig was Chairman and Chief Executive Officer of Trimac Limited for the period from 1971 to 1994 and continued thereafter as Chairman until his death in January 2005. In 1994, J.J. McCaig, J.R. McCaig's son, became the Chief Executive Officer of Trimac Limited. In 1997, Trimac Limited spun-out all remaining operations other than the bulk trucking business and the truck leasing and maintenance business. In September 2000, Trimac Corporation, the successor to Trimac Limited, disposed of the truck leasing and maintenance business to focus primarily on the bulk trucking business in Canada and the United States. In November 2000, Trimac Corporation completed a going private transaction resulting in the incorporation of Trimac Holdings as a privately held company. Trimac Holdings continued to operate the bulk trucking business through its wholly owned, indirect subsidiary TTSI. In conjunction with the privatization, the Ontario Teachers' Pension Plan Board became a minority shareholder in Trimac Holdings and a lender to a subsidiary of Trimac Holdings. On January 1, 2005, Trimac Transportation acquired the Canadian bulk trucking operations of TTSI and its subsidiaries, and subsidiaries of Trimac Transportation acquired TTSI's North American transportation logistics services business. On February 25, 2005, the Fund commenced operations through the completion of an initial public offering and acquired its indirect interest in Trimac Transportation.

On March 29, 2010, Canamera Limited Partnership, a wholly owned affiliate of Trimac, purchased the assets of GH Trucking. At the time of acquisition, the GH Trucking fleet consisted of 17 tractors and 22 pneumatic bulk trailers. GH Trucking was engaged in the transportation of dry bulk products in Western Canada.

On January 1, 2011, the Corporation acquired all of the issued and outstanding Units, all of the issued and outstanding TTSI Exchangeable Shares and all of the issued and outstanding common shares in the capital of TTSI pursuant to the Conversion. As part of the Conversion, TIF Commercial Trust and the Fund were dissolved and all of the assets, obligations and liabilities of TIF Commercial Trust and the Fund were assumed by the Corporation. Accordingly, as a result of the Conversion, TTSI and Trimac Transportation became wholly owned subsidiaries of the Corporation.

On June 8, 2011, Trimac acquired the chemical hauling business and related assets of Benson Tank Lines Ltd. based in the greater Vancouver area. At the time of acquisition, the fleet consisted of approximately 35 tractors and 60 trailers.

On March 19, 2012, Trimac acquired a 29% interest in Northern Resource Trucking Limited Partnership and a 40% interest in NRT Holdings Corporation. NRT provides trucking services primarily to the uranium mining industry in Northern Saskatchewan. NRT is based in Saskatoon, Saskatchewan. As at December 31, 2012, NRT operated approximately 104 power units (including power units provided by owner-operators) and 160 trailers.

On March 30, 2012, Trimac acquired a 60% interest in Fortress Trucking Limited ("Fortress Trucking"). Fortress Trucking is based in Guelph, Ontario and specializes in bulk transportation deliveries throughout central Canada and the United States with a focus on hazardous and non-hazardous transportation of liquid chemicals, petroleum products, pressurized gases and dry chemicals. At the time of acquisition, the assets of Fortress Trucking included 37 tractors and 115 trailers.

On July 29, 2012, Trimac acquired 100% of the shares of Liquid Cargo Lines Limited. Liquid Cargo Lines Limited is based in the greater Toronto Area and is engaged in the transportation of chemicals and internal and commercial shop operations. At the time of acquisition, its fleet consisted of approximately 22 company owned tractors and 42 trailers.

On January 27, 2014, Trimac acquired 100% of the shares of Fortress Tank Services Limited. Fortress Tank Services Limited is based in Guelph, Ontario and is engaged in the repair of tanks, trailers and trucks, fabrication of cargo and storage tanks, fleet maintenance and motor vehicle inspection.

On March 31, 2014, Trimac acquired an additional 20% interest in Fortress Trucking. Pursuant to the terms of the Share Purchase Agreement, Trimac will acquire all of the remaining shares of Fortress Trucking on March 31, 2015.

In 2015, Trimac is expecting a moderate increase in activity and/or market share in most other sectors. The current challenges in the oil and gas sector and the related impact on the Canadian dollar will have a favourable impact in the chemical sector and other products transported into or out of the United States. Trimac also provides the oil and gas sector with dry bulk cement, diesel and various other commodities and we expect that these volumes will reduce as we progress through 2015. The net impact to Trimac is uncertain. Although driver shortages are expected, Trimac continues to take steps to abate this issue through its employee retention and preferred place to work initiatives. Trimac intends to focus on building its Business, reducing its costs and creating value for its Shareholders by delivering value to its customers safely.

THE BUSINESS OF TRIMAC

Bulk Trucking Business

Trimac's bulk trucking business is engaged in transporting a diverse range of products for a large, well established customer base primarily in Canada. Products transported by Trimac include chemicals, petroleum, cement, woodchips and other wood residual products, resource commodities, food grade products and compressed and liquefied gases.

Business Model and Operating Strategy

Trimac's operating strategy is based upon profitable growth through its operational excellence business model. Operational excellence is achieved through the establishment and implementation of standardized processes and methodologies with measurable outcomes in order to identify opportunities to enhance the value of services to customers. Established processes are implemented at each terminal location with the participation by representatives of the terminal, including terminal managers and drivers/owner-operators.

The operational excellence model requires that Trimac, through its employees and information systems, monitor key performance indicators in order to continually reduce costs and improve the efficiency of Trimac's services so that customers are provided with services at the lowest total cost. The concept of "lowest total cost" of transportation services encompasses transportation rates; service level expectations; information technology capabilities, including reporting capabilities and e-commerce and other business integration initiatives which allow the customer to reduce its costs; and a "carrier risk profile factor" which takes into account long-term safety performance, equipment specifications, standards and maintenance programs, driver/owner-operator standards and training, insurance coverage (both scope of coverage and coverage limits) and credit worthiness of the carrier.

Management believes the focus on operational excellence:

- is attractive to customers as the end result is to meet customers' needs at the lowest total cost;
- assists in identifying the needs of customers and reacting to shifting customer needs;
- permits a simplified, easily understood business model for operations personnel;
- is scalable to facilitate growth; and
- assists in creating a positive environment for employees such that Trimac continues to be a preferred place to work.

Customers

Trimac's bulk trucking business currently serves over 500 customers including major producers of bulk products and the users of these products. Trimac transports products for many industries including forest products, food processing, mining, oil and gas, manufacturing, automotive and chemicals. For the twelve month period ended December 31, 2014, Trimac's 20 largest customers accounted for approximately 66.8% of Trimac's total trucking revenues (excluding fuel surcharge revenue), with the largest customer accounting for approximately 8.8% of such revenues. Many of these leading customers are comprised of "Fortune 500" companies which provides an additional degree of stability to Trimac during economic down cycles.

Trimac has a variety of contractual relationships with its customers. Customer contracts typically range from one to five years in length. These contracts often include provisions for annual rate adjustments as well as rate adjustments for changes in the price of diesel fuel. Services provided to Trimac's largest customers are generally conducted under contract.

Trimac has enjoyed a long-term relationship with the majority of its major customers. Six of Trimac's top ten customers have been customers for in excess of 15 years. Of the top 50 customers, which collectively are responsible for approximately 84.7% of Trimac's trucking revenues (excluding fuel surcharge revenue) for the twelve months ended December 31, 2014, 76.6% have been customers for in excess of five years.

Strategic Alliance Agreement

Trimac Transportation and Trimac U.S. have entered into the Strategic Alliance Agreement which, with the exception of the non-competition covenants described below, is subject to termination by either party upon notice to the other. The objective of this arrangement is for the parties to expand their respective customer relationships and revenue bases in the countries in which they primarily operate, while adhering to certain competitive restrictions. The alliance is intended to further expand awareness of the Trimac brand across North America. Activities that are undertaken pursuant to the agreement take place on arm's length terms with any costs allocated to the parties on an arm's length basis. In general, the Strategic Alliance Agreement provides for:

- marketing support and co-operation between Trimac Transportation and Trimac U.S. where customers are seeking solutions for their bulk trucking needs on a North American wide basis; and
- co-operation and support between Trimac Transportation and Trimac U.S. with respect to Canada/U.S. cross border transportation with a goal of assisting each party in maximizing equipment and driver utility through the use of mutually beneficial backhauls on cross border traffic.

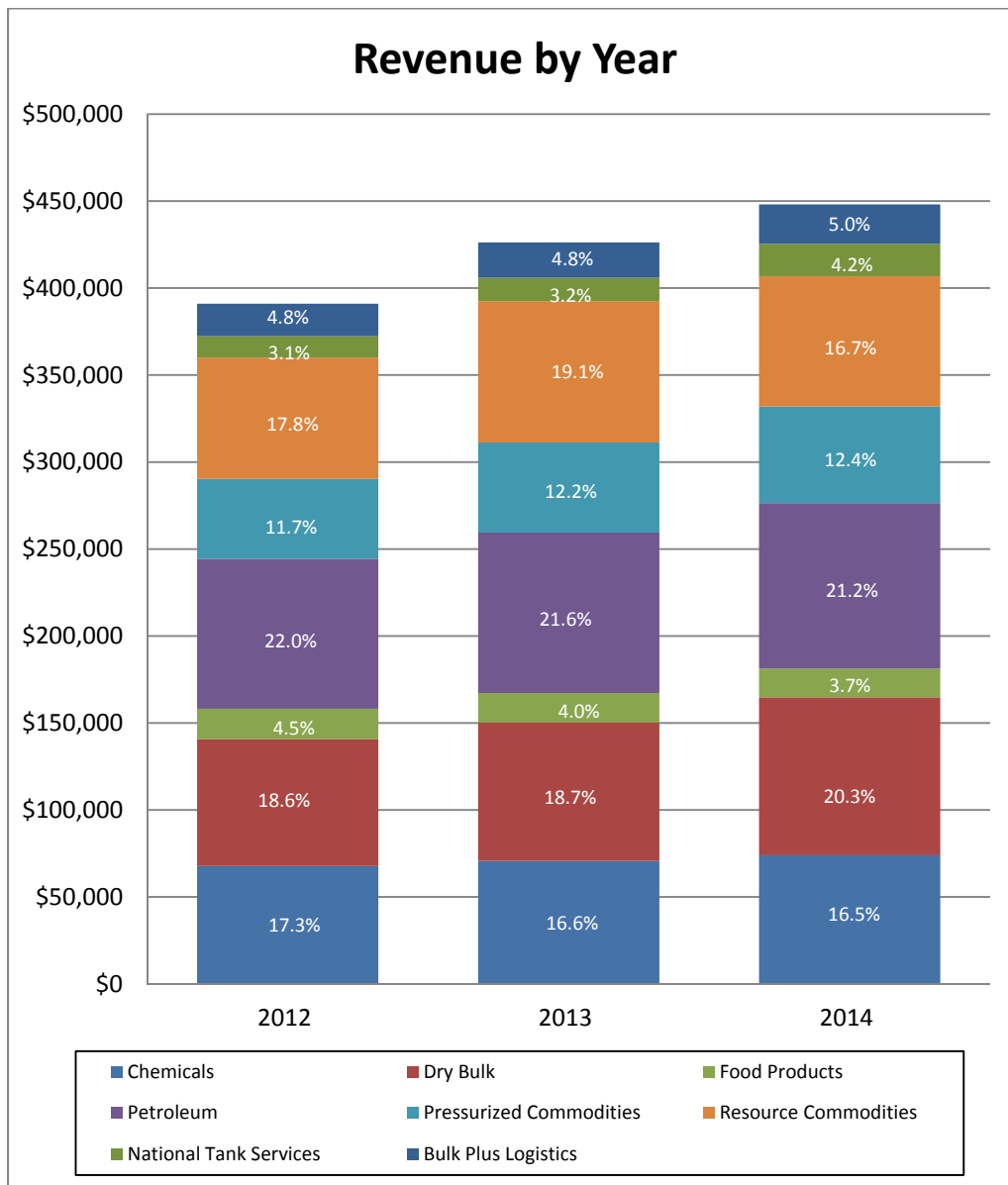
Trimac Holdings' United States bulk trucking operations are conducted through Trimac U.S. and a number of subsidiary corporations of Trimac U.S., including Trimac Transportation Inc., Trimac Transportation East Inc., Trimac Transportation Central Inc., Trimac Transportation Services (Western), Inc. and Trimac Transportation Group Inc.. The Corporation has no ownership interest in the bulk trucking operations of Trimac U.S. which is indirectly owned by Trimac Holdings.

The Strategic Alliance Agreement provides that for so long as the McCaig Group Holdings consist of not less than the Minimum Holdings Threshold and represent not less than 20% of the outstanding Shares and the McCaig Group holds at least a 50.1% interest in Trimac U.S., each on a fully diluted basis, (a) except as set forth below, Trimac Transportation will not, directly or indirectly, carry on any bulk trucking, transload, third party logistics or freight management businesses in any part of the United States or hold an interest in any entity that carries on any such business in any part of the United States, and (b) other than its interest in the Corporation, Trimac Holdings will not, directly or indirectly, carry on a bulk trucking business in any part of Canada or have an interest in any entity that carries on a bulk trucking business in any part of Canada. The foregoing prohibition does not restrict Trimac Transportation or Trimac U.S. from participating in cross border transportation between Canada and the United States and does not restrict Bulk Plus Logistics from (i) continuing to carry on its current business in Laredo, Texas, (ii) engaging in third party logistics or freight management businesses in the United States in the non-bulk trucking segment, or (iii) engaging in freight management businesses for the purpose of cross border bulk transportation between Canada and the United States.

Products Handled

The products transported by Trimac include petroleum products, chemicals, asphalt, compressed and liquefied gases, edible products and dry bulk products including cement, lime, flyash, woodchips and other wood residual products, as well as a variety of other bulk products. The wide range of products transported and the geographic dispersion of Trimac's operations across Canada provide it with a degree of diversification such that it is not dependent upon any particular industry, customer or geographic region.

The following chart illustrates the breakdown of Trimac's revenues (including fuel surcharge revenue) for each of the three years ended December 31, 2012, 2013 and 2014 (including the elimination of intercompany revenue relating to shop and washrack services provided by National Tank Services ("NTS") to Trimac).



Facilities

Trimac operates its bulk trucking business from 52 locations, ranging from terminals comprised of truck dispatch and administrative facilities to full service terminals having an equipment maintenance shop and tank cleaning facility. Of the 52 bulk trucking locations through which Trimac operates, 11 are owned and the remaining 41 are leased.

Trimac operates its maintenance and washrack facilities under the National Tank Services product line banner. NTS operates 22 maintenance facilities and 9 washrack facilities throughout Canada and provides inspection, mechanical repairs, certification and cleaning services to the bulk transportation industry. Most NTS facilities are co-located with Trimac bulk trucking locations and service the Trimac fleet as well as third-party commercial accounts.

Equipment

Trimac operated approximately 1005 power units (including power units provided by owner-operators) and 2322 trailers as at December 31, 2014. The following table provides a breakdown of trailers by trailer type as at December 31, 2014:

Stainless Steel (Chemicals and Edibles)	435
Dry Bulk Pneumatic (Dry Bulk Products)	833
Aluminum (Petroleum Products)	450
Woodchip Vans	152
Asphalt	85
Compressed Gases	155
Other	212
Total	<u>2322</u>

Of the above mentioned power units operated by Trimac, approximately 533 are owned or leased and 472 are provided by owner-operators. As at December 31, 2014, the average age of the power units owned or leased by Trimac was 3.6 years and the average age of the trailers was 13.1 years. A substantial portion of Trimac's trailer fleet, in particular, stainless steel, dry bulk and compressed gas trailers, can remain in productive service for 15 to 25 years. Trimac is able to prolong the life of its trailer fleet by rebuilding and refurbishing trailers at its NTS shop facilities. Management closely monitors the age and life cycle of its equipment with a view to achieving the optimum balance between the capital costs of newer units and repair costs of older units. Management believes that the age of its fleet is appropriate for its activities in the bulk trucking industry.

As at December 31, 2014, NRT¹ operated approximately 106 power units (including power units provided by owner-operators) and 297 trailers.

Personnel

As at December 31, 2014, Trimac's bulk trucking business employed or engaged approximately 1864 employees, owner-operators and drivers employed by owner-operators. Personnel providing services under the Shared Services Agreement are excluded from the foregoing numbers. The driver force totalled 1263 consisting of 669 employee drivers and 594 owner-operators and drivers employed by owner-operators. Owner-operators are independent contractors that are engaged under contract by Trimac to provide one or more tractors and drivers. Owner-operators are responsible for paying the costs of acquiring, maintaining and operating their equipment. In addition to regulatory requirements, all drivers, including owner-operators, must meet specified guidelines for driving experience and safety record. Driver safety is emphasized through stringent hiring standards, extensive training, equipment inspection programs, safety incentive payments and recognition of drivers through safety awards.

As at December 31, 2014, the bulk trucking business of NRT¹ employed or engaged approximately 206 employees, owner-operators and drivers employed by owner operators. The driver force totalled 174 consisting of 32 employee drivers, 142 owner operators and drivers employed by owner operators.

As at December 31, 2014, the bulk trucking business of Fortress Trucking² employed or engaged approximately 63 employees, owner-operators and drivers employed by owner operators. The driver force totalled 46 consisting of 40 employee drivers, 6 owner-operators and drivers employed by owner-operators.

Approximately 1011 employees and owner-operators are members of collective bargaining units under a total of 21 collective bargaining agreements. 16 collective bargaining agreements will expire on various dates in 2015. To date, Trimac has not experienced a material work stoppage on the part of its employees. Management believes that Trimac has good relations with its employees and will be able to successfully negotiate new collective agreements with all organized employees.

¹ See above General Development of Business for description of NRT acquisition

² See above General Development of Business for description of Fortress Trucking acquisition

Driver and mechanic recruitment and retention are significant issues for the truck transportation industry, including the bulk trucking segment. Management believes that the turnover rate of Trimac's drivers is amongst the lowest in the industry. Trimac's goal is to be the preferred place to work in the industry and it has developed several initiatives to attract and retain qualified employee drivers and owner-operators, including:

- focus on driver safety, including training in product stewardship and safety incentives and awards;
- establishing driver manager positions to focus on retention of existing drivers in each region of operations, with a particular emphasis on enhancing communication levels with drivers;
- attractive compensation packages, including the use of pay rates that promote efficiencies and reward driver performance;
- providing support to owner-operators including fuel adjusted compensation and equipment parts and maintenance at preferred rates at Trimac's maintenance facilities;
- creation of a driver training center in Calgary, Alberta;
- driver recruiter positions established to focus on driver recruitment in each region of operations; and
- training programs focusing on improving human resources management skills for management personnel who have direct interaction with drivers at terminal locations.

Terminal managers have direct responsibility for hiring drivers and implementing the programs necessary to ensure that Trimac achieves its objective of being the preferred place to work in the industry.

Information Technology

Trimac is a leader in the use of information technologies in bulk trucking to provide value-added services to its customers and to automate its internal processes. The majority of Trimac's customers are large, well established businesses with their own sophisticated information systems. Like Trimac, these customers place a high level of importance on customer-supplier information integration to improve operational efficiencies. Trimac routinely integrates customer product ordering systems with Trimac's dispatch function, resulting in cost effective, timely, and accurate information exchange between both parties. Trimac's information systems are flexible and scalable, and as such, readily support centralized or distributed operations as required to serve our customers. Trimac's systems permit management to analyze information to develop key performance indicators for a variety of operational activities including customer service levels, safety and accident frequency, regulatory compliance and trip standards including fuel economy, payload optimization, equipment utility and maintenance and driver/owner-operator costs.

Components of the integrated system include:

- TMW Systems PowerSuite®. TMW supports the key activities of order entry, dispatching, trip planning, load management, invoicing and driver pay. It is integrated with on-board computers, the equipment maintenance system and back-office systems.
- On-board computers with satellite and/or cellular communications for shipment tracking, driver communications and activity logging, and engine performance monitoring.
- TMT Fleet Maintenance Management Software, a shop management system supporting proactive vehicle and trailer maintenance for internal and commercial work. TMT contributes to Trimac safety by ensuring only fully maintained equipment is dispatched. The system also facilitates warranty management.
- A cleaning management system that supports both internal and commercial tank-cleaning services including cleaning methods, wastewater management, waste disposal and regulatory compliance.
- An inventory management system used by the company's transload and logistics brokerage services. The system is used to track and manage customer orders and container inventories.

- E-commerce technologies are in place that provide the capability to integrate dispatch and billing systems with the order entry and fulfillment systems of customers for end-to-end order management.
- Oracle's (PeopleSoft®) Enterprise Resource Planning (ERP) for financial and human capital management.
- Internal and External Websites. A robust offering provides Trimac employees with on-line training programs, current information on company policies and procedures as well as key reports and performance metrics. External websites describe company objectives, career opportunities and support on-line customer services provided by the company.

New systems are only added, and major modifications to existing systems are only made, to the extent that management believes an adequate return will be generated on the invested capital and labour. Cloud offerings and subscription services are being exploited as these options become more mainstream.

Safety

Trimac has a comprehensive safety management program covering all aspects of its operations. Formal operating standards exist for all operating personnel and are supplemented with more detailed manuals in respect of specific operational issues. Through established safety programs, Trimac strives to ensure, as far as practicable, the health and safety of all employees and any other workers who may be present at its facilities or in its vehicles. By application of continuous improvement techniques, Trimac maintains a high degree of safety awareness and seeks to continually improve its safety performance.

As part of Trimac's comprehensive safety management program, Trimac has implemented a proprietary predictive modelling assessment tool to assist Trimac in attempting to predict which drivers are most likely to be involved in motor vehicle accidents based on certain defined criteria. Trimac uses such tool to identify potential high risk drivers and focuses its training and job task observation efforts on such drivers in an effort to improve their performance and ultimately reduce motor vehicle accidents.

Insurance

Trimac carries broad insurance coverage for its operations, including motor vehicle liability insurance, cargo insurance, commercial general liability insurance and environmental liability insurance for risks arising out of its normal operations and umbrella coverage to respond to claims in excess of limits under primary insurance policies. The motor vehicle liability insurance, cargo insurance and comprehensive general liability insurance have relatively high deductibles resulting in Trimac essentially self-insuring up to these deductibles for risks covered under these policies. However, these policies provide Trimac with coverage for catastrophic losses. Trimac also carries director and officer liability insurance.

Fuel Costs

The cost of diesel fuel represents a significant component of the operating costs in the trucking industry. The volatility in and the trend towards higher fuel costs over the past several years has exerted significant cost pressures on the trucking industry. However, almost all of Trimac's contracts with customers provide for an adjustment in rates based upon changes in the cost of diesel fuel. For customers not under contract, rates are adjusted as needed to reflect changes in diesel fuel costs. In certain circumstances, Trimac may also consider entering into hedging arrangements to reduce its exposure to the cost of diesel fuel. Consequently, Trimac has been able to mitigate its exposure to changes in the price of diesel fuel.

Regulation

The transportation industry in Canada and between Canada and the United States is subject to federal, provincial and U.S. federal and state laws and regulations. Trimac is required to hold operating licences, permits and registrations issued by the governing jurisdictions in which it operates. It is also required to comply with laws of each jurisdiction in which it operates, which generally govern the safety of vehicles and equipment and the manner in which they are operated. The bulk trucking industry is also subject to regulations concerning tank trailer maintenance and testing and regulations pertaining to the transportation of dangerous goods where cargo involves regulated substances such as petroleum products and most chemicals.

Management believes that Trimac holds all necessary licences, permits and registrations required by the governing jurisdictions in which it operates to conduct the Business. All jurisdictions in which Trimac operates monitor compliance with licensing and safety regulations, and may initiate disciplinary proceedings against non-compliant drivers or carriers resulting in the possible suspension or cancellation of licences or permits.

Environmental Protection

Trimac transports petroleum products, chemicals and other hazardous materials and operates tank wash facilities and maintenance shops at certain of its terminals. As such, its trucking and terminal operations are subject to various federal, provincial, state and local environmental laws and regulations relating to pollution and protection of the environment, including those dealing with the transportation, use, storage, handling and disposal of hazardous materials, wastes and petroleum products (collectively “dangerous goods”) and the ownership and operation of terminal locations that may handle or store dangerous goods. In the event of a release of dangerous goods as a result of an accident or otherwise, Trimac could be held responsible for cleanup costs, other damages and fines or other penalties. It is anticipated that the transportation industry will increasingly be required to employ environmentally safe practices in the handling and storage of many products.

Trimac has in place emergency response programs to respond to a spill of dangerous goods and, with respect to its bulk trucking terminals, conducts internal audits through its environmental and safety staff to assess operations and to facilitate compliance with applicable laws and regulations and internal policies.

The financial impact on Trimac of industry environmental requirements and of its own environmental programs is expected to be similar to that experienced by its competitors. However, there can be no assurance that Trimac will not be exposed in the future to significant environmental costs and liabilities.

Competitive Conditions

The bulk trucking industry is fragmented in Canada and consists of a few large regional or product specific carriers and many smaller competitors. The following table lists certain of the more significant bulk trucking competitors of Trimac:

DCT Chambers Trucking Ltd.
Gibson Energy Inc.
Mullen Group Ltd.
Quality Distribution Inc.
Seaboard Transport Group
TransForce Inc.
Westcan Bulk Transport Ltd.
Caron Transportation Systems
RST Transport

Logistics Services

Prior to January 1, 2005, Trimac provided third party transportation logistics services through subsidiaries. On January 1, 2005, the Bulk Plus Logistics business (“Bulk Plus Logistics”) was directly and indirectly transferred to Bulk Plus Logistics Limited Partnership, an Alberta limited partnership, owned, directly and indirectly, by Trimac Transportation, and to another subsidiary of Trimac. As at December 31, 2014, Bulk Plus Logistics employed approximately 50 personnel in Canada and the United States. The primary focus of Bulk Plus Logistics is to provide outsourced services related to the bulk trucking business. The services provided by Bulk Plus Logistics include transloading operations, distribution management services and freight brokerage services. In 2014, Bulk Plus Logistics had revenues of approximately \$22.63 million representing approximately 5% of Trimac’s consolidated revenues for such period.

Transloading Operations: Transload facilities operated by Bulk Plus Logistics involve the transfer of bulk products from railcars into a tank or other trailer or from a tank or other trailer into railcars, for final delivery to the customer. As at December 31, 2014, Bulk Plus Logistics operated 14 transloading facilities in Canada. With the exception of the Langley, British Columbia, Estevan, Saskatchewan and Concord, Ontario facilities, all transload facilities are owned by railway companies or customers of Bulk Plus Logistics and Bulk Plus Logistics operates the facilities under lease or contract. The facility at Langley, British Columbia is owned by Trimac and leased and operated by Bulk Plus Logistics.

Distribution Management Services: Distribution management services involve management of a customer’s distribution and supply chain, including inventory management and arranging for transportation services. Distribution

management normally involves a customer engaging Bulk Plus Logistics as the customer's outsourced traffic and distribution manager.

Freight Brokerage Services: Freight brokerage services involve the brokering of transportation services on behalf of shippers (i) in the general freight transportation segment of the trucking industry in Canada and the United States, and (ii) in the bulk transportation segment of the trucking industry in Canada. Transportation brokering is complementary to Trimac's bulk transportation operations.

Shared Services Agreement

Trimac has historically benefited from economies of scale by sharing certain administrative personnel with Trimac U.S. The administrative personnel are provided by TMSLP under the Shared Services Agreement and include personnel in the areas of accounting; information technology; human resources, including payroll; legal; equipment purchasing; risk management and insurance; and tax and licensing. TMSLP is wholly owned by Trimac Holdings. The principal offices of both Trimac Holdings and TMSLP are in Calgary, Alberta.

The fees payable under the Shared Services Agreement are essentially based on cost reimbursement and are allocated between Trimac and Trimac U.S. using historic cost allocation methodologies, primarily related to their respective service requirements which is mostly dictated by revenues. The cost allocation under the Shared Services Agreement may only change during the term of the agreement with the approval of both Trimac and Trimac U.S. The fees paid by Trimac in 2014 under the Shared Services Agreement were approximately \$13.4 million representing approximately 3% of its annual revenue in 2014.

The scope of services provided to Trimac by TMSLP under the Shared Services Agreement in 2014 was similar to that provided in 2013 by TMSLP personnel in respect of the services covered under the agreement. The Shared Services Agreement provides for the allocation of responsibility between Trimac and Trimac U.S. for various matters including unplanned or new project costs and for employment costs for employees provided by TMSLP.

The term of the Shared Services Agreement will continue until terminated by either party upon 150 days prior written notice. Either party is entitled to terminate the services provided under the Shared Services Agreement in whole or in part on reasonable notice. Any costs associated with any such termination are required to be borne by the terminating party and that party shall remain responsible for its share of TMSLP's fixed costs for the 18 months following termination provided that the terminating party will continue to remain responsible for repayment of its pro-rata share of TMSLP debt until the debt is repaid. The independent directors of the Corporation are required to approve material amendments to or renewal of the Shared Services Agreement.

RISK FACTORS

Reliance on Major Customers, Contract Renewals, Customer Service

The top twenty customers of Trimac's bulk trucking business accounted for approximately 66.8% of Trimac's trucking revenue for the year ended December 31, 2014, and the largest customer accounted for approximately 8.8% of such revenue. Although a significant percentage of Trimac's customers are under contract, some of those contracts can be terminated on short notice and, on occasion, certain customers may demand to renegotiate a contract prior to the end of its term. In addition, many of Trimac's customer contracts will be subject to renewal over the next five years and Trimac's ability to service its customer is critical to their retention. There can be no assurance that Trimac's current customers will continue their relationships with Trimac or that contracts that come up for renewal will be renewed or, if they are renewed, that customers will contract for the same volume amounts to be transported or that they will pay the same rates and surcharges as they have in the past. The loss of one or more major customers, the failure to renew customer contracts, or any decrease in transportation volumes purchased or prices paid or any other changes to the terms of service under renewed contracts could have a material adverse effect on Trimac's financial condition. A substantial portion of Trimac's customer contracts, including contract renewals, are subject to competitive tender processes, and there can be no assurance that Trimac will be successful in acquiring new business or retaining existing business subject to competitive tender.

Cost Control

Trimac's ability to control its costs is critical to its profitability. Costs can be controlled through a number of initiatives including appropriate surcharge programs with customers, bulk purchasing arrangements with suppliers and reduced consumption of goods required to perform trucking services. Failure to maintain a competitive cost structure could result in

Trimac's loss of existing business and restrict its ability to grow its business profitably. A failure to have a competitive cost structure could materially affect the financial condition of Trimac.

Dependence on Personnel

The success of Trimac has been largely dependent on the skills and expertise of its management personnel, many of whom have been with Trimac for a significant number of years and some of whom are now employed by TMSLP, which is not owned or controlled by Trimac, and provide services to Trimac under the Shared Services Agreement. Trimac's continued success will be dependent upon its ability to handle organization changes and events, retain the services of key personnel and recruit and retain other key employees for its business. Trimac does not carry "key man" insurance that would compensate it for the loss of any of its senior executives.

The failure to attract and retain a sufficient number of qualified drivers, owner-operators and mechanics could also have a material adverse effect on Trimac's financial condition. Industry organizations and Trimac have identified a growing shortage of qualified drivers and owner-operators which have been exacerbated by changes to driver hours of work regulations. The economic downturn experienced during 2008 and 2009 also resulted in a number of qualified drivers and owner-operators leaving the industry. Further, new regulatory initiatives in the United States, including the implementation of its Comprehensive Safety Analysis tool, are expected to reduce the number of available drivers and owner-operators in the industry. Such driver and owner-operator shortages could result in the inability of Trimac to accept new customers or the inability of Trimac to maintain its fleet or meet existing customer obligations. It would also be expected to result in an escalation of compensation levels for drivers/owner-operators and other hourly paid employees which Trimac may not be successful in offsetting through transportation rate increases. Any of the foregoing could result in a material adverse affect on Trimac's financial condition.

Competition

Although management believes that Trimac is the largest provider of bulk trucking services in Canada, it faces intense competition in each product that it carries from a variety of regional and product specific competitors. Further, there has been consolidation in the bulk trucking industry over the last 5 years which could create price pressures in certain jurisdictions where the Corporation carries on business. There can be no assurance that Trimac will be able to compete successfully against its current or future competitors or that competition will not have a material adverse effect on Trimac's results of operations and financial condition.

Safety

Safety is a core value at Trimac and Trimac believes that it has industry leading safety standards. Trimac has a comprehensive safety management program covering all aspects of its operations. Formal operating standards exist for all operating personnel and are supplemented with more detailed manuals in respect of specific operational issues. Through established safety programs, Trimac strives to ensure, as far as practicable, the health and safety of all employees and any other workers who may be present at its facilities or in its vehicles. By application of continuous improvement techniques, Trimac maintains a high degree of safety awareness and seeks to continually improve its safety performance. A failure to focus on safety as a core value could have a material adverse effect on the financial condition of Trimac.

Litigation and Fines

Trimac is currently involved in certain legal proceedings and although management of Trimac does not believe that an adverse decision in any such proceedings would have a material adverse effect on Trimac's financial condition, the outcome of litigation cannot be predicted with certainty. A significant judgment against Trimac, or the imposition of a significant fine or penalty, as a result of a finding that Trimac has failed to comply with laws or regulations or as a result of damages arising from a motor vehicle accident could have a material adverse effect on Trimac's financial condition.

Regulation

Notwithstanding that the transportation industry is largely deregulated in terms of entry into the industry, each carrier must obtain a license from or register with provincial regulatory authorities in order to carry goods extra- provincially or to transport goods within any province. Licensing is also required from regulatory authorities in the United States for the transportation of goods between Canada and the United States. Regulation of the bulk trucking industry has become more stringent over time and this trend is expected to continue in the future. Changes in regulations applicable to

Trimac could increase operating costs and have a material adverse effect on Trimac's operations and financial condition.

The right to continue to hold applicable licenses and permits is generally subject to maintaining satisfactory compliance with regulatory and safety guidelines, policies and regulations. Although Trimac is committed to compliance and safety through its operational excellence initiatives, there is no assurance that Trimac will be in full compliance at all times with such guidelines, policies and regulations. Consequently, at some future time, Trimac could be required to incur significant costs to maintain or improve its compliance record.

Restrictions on Growth of Trimac

The ability of Trimac to make growth capital expenditures and pursue acquisition opportunities is dependent on its cash flow from operations and the availability of other types of financing. Reduced levels of cash flow from operations or the unavailability of other types of financing could limit Trimac's future growth. In addition, pursuant to the Strategic Alliance Agreement, Trimac Transportation has agreed that, for so long as the McCaig Group Holdings represent at least the Minimum Holdings Threshold and at least 20% of the outstanding Shares and the McCaig Group holds at least a 50.1% interest in Trimac U.S., each on a fully diluted basis, Trimac Transportation will not, directly or indirectly, carry on a bulk trucking business in any part of the United States or hold an interest in any entity that carries on a bulk trucking business in any part of the United States. These restrictions could limit the future growth of Trimac and its cash flow.

Ability to Sustain and Manage Growth

Trimac may not be able to carry out its strategy of acquiring other bulk trucking transportation companies, a strategy which depends in part on the availability of suitable candidates at valuations accretive to Trimac and the availability of required financing. In addition, Trimac may face competition for the acquisition of attractive carriers from other consolidators in the transportation industry and from financial buyers with greater financial resources. Furthermore, there can be no assurance that if Trimac acquires what it considers to be a suitable candidate in accordance with its growth strategy, Trimac will be able to successfully integrate the operations of the acquired company into Trimac's operations on an accretive basis or maintain or grow the company's business from and after the time of acquisition.

Exchange Rate and Currency Risks

Trimac is primarily a Canadian business, however it derives revenues from cross border transportation between Canada and the United States for certain customers that pay their invoices in U.S. dollars. The majority of Trimac's operating expenses on cross border transportation are denominated in Canadian dollars. This revenue, in some cases, is exposed to the effects of changes in Canada/U.S. exchange rates. Trimac has mitigated this risk somewhat by instituting exchange surcharges to certain customers and entering into hedging arrangements for specific customer accounts as required or as deemed advisable by management of Trimac. Approximately U.S. \$31.5 million of Trimac's existing cross border business which is priced in U.S. dollars is not subject to exchange adjustments. A one cent decrease in the U.S. dollar relative to the Canadian dollar would result in an approximate \$315,000 decrease in net earnings, based on the existing mix of cross border transportation business and the revenues not subject to exchange surcharges.

Environmental Considerations

Trimac and its operations and properties are subject to extensive federal, provincial, state, municipal and local environmental laws and requirements in both Canada and the United States relating to, among other things, air emissions, the management of contaminants including hazardous materials (including the generation, handling, storage, transportation and disposal of such contaminants), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including ground water).

Trimac handles and stores in storage tanks hazardous materials, including fuel, at certain of its terminals. The risk of environmental liability is inherent in transportation operations, transloading operations, historic activities associated with such operations and the ownership, management or control of real estate. Canadian and U.S. laws generally impose potential liability on the present or former owners or occupants of properties on which contamination has occurred. Although management is not aware of any contamination which, if remediation or clean-up were required, would have a material adverse effect on Trimac's financial condition, there can be no assurance that Trimac will not be required, at some future date, to incur significant costs to comply with environmental laws, or that its operations, business, assets or cash flow will not be materially adversely affected by current or future environmental laws.

Availability of Future Financing

Trimac's principal sources of funds are cash generated from its operating activities and borrowing capacity under the Credit Facility. Management believes that funds from these sources will provide Trimac with sufficient liquidity and capital resources to meet its current and future financial obligations at existing business levels. Despite management's expectations, however, Trimac may require additional equity or debt financing to meet its financing requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to Trimac, in which event Trimac's financial condition may be materially adversely effected.

Leverage and Restrictive Covenants

The ability of the Corporation to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions in the instruments governing any indebtedness of Trimac. The degree to which the Corporation is leveraged could have important consequences for Shareholders including: (i) Trimac's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of Trimac's cash flow from operations may be dedicated to the payment of the principal of and interest on Trimac's indebtedness, thereby reducing funds available for future operations or to pay dividends to Shareholders; (iii) certain of Trimac's borrowings may be at variable rates of interest, which could expose Trimac to the risk of increased interest rates; and (iv) Trimac may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. These factors may adversely impact Trimac's financial condition. In addition, fluctuations in interest expense could result in an unanticipated material increase in interest rates that could in turn have a material adverse effect on Trimac's profitability.

The Credit Facility contains numerous restrictive covenants that limit the discretion of management with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of Trimac to create liens or other encumbrances, to pay distributions/dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facility contains a number of financial covenants that require Trimac to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in its Credit Facility could result in a default which, if not cured or waived, could result in the termination of the dividends of the Corporation and permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Facility were to be accelerated, there can be no assurance that the assets of Trimac would be sufficient to repay in full that indebtedness.

Any failure of Trimac to repay or refinance its Credit Facility or other borrowings at their maturity dates on acceptable terms or to comply with applicable covenants under its Credit Facility could have a material adverse effect on Trimac's financial condition. There is no assurance that Trimac will be able to refinance its Credit Facility at its maturity date on acceptable terms, or on any basis.

Weather

Harsh weather can create conditions that impede the movement of bulk materials and increase Trimac's operating costs and may reduce customers' or their consignees' requirements for materials, any of which may have a material adverse effect on Trimac's financial condition. In addition, unusual weather patterns, including extended periods of precipitation or lack of precipitation can have a similar adverse impact.

Operational Risk

The success of Trimac is dependent on its ability to manage operational risks including equipment and driver utilization, redeploying excess capacity and achieving costed trip standards. Failure to manage these operational risks effectively could adversely affect Trimac's ability to offer a competitive pricing and cost structure which would have a negative impact on Trimac's ability to retain current business and obtain new business.

Information Technology

Trimac has made significant investments in information technology and relies on its information systems to support its operational excellence business model. In the event that irreparable damage was caused to Trimac's information systems and databases or the information contained in its information systems was lost, Trimac's operational ability

would be impaired and its ability to provide service to its customers compromised. In such event, Trimac's financial condition could be materially adversely affected.

Seasonal Nature of Trimac's Bulk Trucking Business

Trimac's business has a degree of seasonality with total revenues generally peaking in the second and third quarters of each year, primarily driven by higher demand for transportation of construction related products and petroleum products in the April through October period. Capital expenditure patterns and debt levels are also somewhat seasonal as Trimac tends to take delivery of and pay for new equipment in the March through May period in time for the busier spring and summer seasons. Debt levels also tend to rise through this same period due to increased working capital requirements. There can be no assurance that financing will be available to Trimac when required or on commercially favourable or otherwise satisfactory terms in order to permit Trimac to make required capital expenditures, and that, in turn, could have a material adverse effect on Trimac's financial condition.

General Economic Conditions

The price of fuel, equipment, and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and national and regional economic conditions are economic factors over which Trimac has little or no control. Significant increases in fuel prices, equipment prices, other input prices, interest rates or insurance costs, to the extent not offset by increases in transportation rates or contractual surcharges, or disruptions in fuel supply, would reduce profitability and could adversely affect Trimac's ability to service its debts. Significant increases in fuel costs were experienced by Trimac during portions of the last few years, although it has been able to mitigate substantially all of the impact through fuel management programs and surcharges to its customers. There can be no assurance of Trimac's ability to pass on fuel or other cost increases in the future. In addition, fluctuations in customers' business cycles and national and regional economic conditions are factors beyond the control of Trimac and, as such, could have a material adverse impact on Trimac's financial condition. Trimac cannot predict the impact of future economic conditions and there is no assurance that its operations will continue to be profitable.

Insurance

Trimac's operations are subject to risks normally inherent in the transportation industry, including potential liability which could result from, among other circumstances, personal injury or property damage arising from motor vehicle accidents. Trimac's motor vehicle and cargo insurance policies carry relatively high deductibles resulting in Trimac effectively self insuring a significant portion of motor vehicle accidents and cargo losses, although Trimac does maintain coverage for catastrophic losses. The availability of, and ability to collect on, insurance coverage is subject to factors beyond the control of Trimac. In addition, Trimac may become subject to liability hazards in circumstances where it cannot or may elect not to insure (because of high premium costs or other reasons), or for occurrences which exceed maximum coverage under its policies. Trimac has no control over changing conditions and pricing in the insurance marketplace and the cost or availability of various types of insurance may change dramatically in the future. To the extent that any increase in Trimac's costs of insurance cannot be passed on to Trimac's customers in increased transportation rates, increases in insurance costs could reduce future profitability. Further, the inability to obtain insurance in the future for certain types of losses may require Trimac to limit the services it provides or the areas in which it operates thereby reducing the revenues of the Business. Lastly, the occurrence of a significant uninsured loss could have a material adverse effect upon Trimac's financial condition.

Loss of Services Under Shared Services Agreement

The success of Trimac has in the past been in part dependent on the skills and expertise of certain personnel, who as of January 1, 2005, became employed by TMSLP which provides services to Trimac under the Shared Services Agreement. The continued success of Trimac will be dependent on its ability to retain the services of these personnel and its ability to recruit replacements with similar skills and expertise for any of such personnel who are not retained by TMSLP. In addition, in the event that Trimac U.S. exercises its right to terminate the Shared Services Agreement, Trimac will incur certain costs in connection with replacing the personnel and services provided to the Business under such agreement which could have a material adverse impact on Trimac's financial condition.

Labour Relations

A substantial part of Trimac's work force are members of collective bargaining units. In addition, a significant portion of Trimac's collective agreements are either currently under negotiation or will be under negotiation in 2015. Given the industry shortage of truck drivers, there can be no assurance that Trimac will be able to reach an agreement with various

bargaining agents on terms consistent with management's budgets and expectations. Any work stoppages or unbudgeted or unexpected increases in compensation could have a material adverse effect on Trimac's financial condition. In addition, in the event that Trimac is unable to reach an agreement with any bargaining unit and a work stoppage results, any such work stoppage could have a material adverse effect on Trimac's financial condition.

Capital Expenditures

The timing and amount of capital expenditures by Trimac will directly affect the profitability of the Corporation. The cost of equipment has escalated over the past several years as a result of, among other things, more stringent emission controls and high input costs. There is no assurance that Trimac will be able to recover higher capital costs through rate increases to its customers, and in such event, Trimac's profitability may be reduced.

Potential Conflicts of Interest

Material transactions between any of TTSI, Trimac Transportation and the Corporation, on the one hand, and Trimac Holdings, the McCaig Group or their other affiliates (including Trimac U.S. and TMSLP), on the other hand (a "Related Party Transaction"), must be approved by a majority of directors of the Corporation who are independent. The independent directors of the Corporation are required to approve any amendment to or the renewal of the Shared Services Agreement and the Strategic Alliance Agreement. The independent directors of the Corporation also have authority to set the materiality thresholds for review and approval by the directors of Related Party Transactions.

Jeffrey J. McCaig, Chairman of the Board and Chief Executive Officer of the Corporation, is also Chairman and Chief Executive Officer of Trimac U.S.. There is a potential for conflict of interest between Trimac U.S. and Trimac. Under the Strategic Alliance Agreement, subject to certain conditions, Trimac Transportation and Trimac U.S. have agreed to certain restrictive covenants preventing them from carrying on competing bulk trucking businesses. Mr. McCaig, through Trimac Holdings, also holds interests in Trimac U.S. and TMSLP.

Ownership Interest of the McCaig Group

While there is no voting trust agreement among members of the McCaig Group, as of the date hereof, such members hold in the aggregate, directly and indirectly, Shares representing approximately 63.38% of all of the issued and outstanding Shares of the Corporation. Jeffrey J. McCaig indirectly holds 45.26% of all of the issued and outstanding Shares of the Corporation. See "Trimac Transportation Ltd. - Voting Securities and Principal Holders Thereof – Principal Holders". If Jeffrey J. McCaig or other members of the McCaig Group sell substantial amounts of the Class A Shares held by such holders in the public market, the market price of the Class A Shares could fall. The perception among the public that these sales will occur could also produce such effect.

DESCRIPTION OF THE CORPORATION

General

The Corporation was incorporated under the laws of the Province of Alberta on October 19, 2010. The head office and registered office of the Corporation is located at 3215 – 12th Street NE, Calgary, Alberta, T2E 7S9. The Corporation was created to participate in the Conversion. Pursuant to the Conversion, the Corporation acquired all of the issued and outstanding Units, all of the issued and outstanding TTSI Exchangeable Shares and all of the issued and outstanding common shares in the capital of TTSI. Following the completion of the Conversion, the Corporation directly owns and controls all of the issued and outstanding common shares in the capital of TTSI and directly owns a 4% limited partnership interest in Trimac Transportation. The Corporation indirectly owns, through TTSI, a 0.01% general partnership interest and a 96% limited partnership interest in Trimac Transportation.

Description of Capital Structure

Class A Shares

Each Class A Share entitles the holder to receive notice of and to attend all meetings of the Shareholders and to one vote at such meetings. Class A Shares, at the discretion of the Board of Directors, are entitled to receive any dividends declared by the Board of Directors on the Class A Shares. Class A Shares share rateably with Class B Shares in any distribution of the assets of the Corporation upon the liquidation, dissolution, bankruptcy or winding-up of the Corporation or other distribution of its assets among its Shareholders for the purpose of winding-up its affairs. For the purpose of calculating such rateable sharing, the number of Class B Shares outstanding is deemed to be equal to the

product, rounded down to the nearest whole number, of the Conversion Ratio multiplied by the number of Class B Shares outstanding, all as of the date of any such distribution of assets.

Class B Shares

There are no Class B Shares issued and outstanding and, pursuant to the share terms applicable thereto, no Class B Shares will be issued in the future.

DIVIDENDS

In 2015, the Corporation has declared a dividend of \$0.07, payable on April 15, 2015, to the holders of Class A Shares of record at the close of business on March 31, 2015 and paid a quarterly dividend of \$0.07 on January 15, 2015 to holders of Class A Shares of record on December 31, 2014. In 2014, the Corporation paid quarterly dividends in the amount of \$0.07 per quarter on January 15, 2014, April 15, 2014, July 15, 2014 and October 15, 2014. These dividends were paid to holders of Class A Shares of record on the last business day of the immediately preceding fiscal quarter. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, Trimac's results of operations, financial condition, cash flows, current and anticipated capital requirements for both sustaining and growth capital, the prudent management of the Corporation's balance sheet, solvency tests imposed by the ABCA and other factors that the Board of Directors may deem relevant. In addition, the Corporation's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that Trimac has incurred, including the Credit Facility, or may incur in the future.

Subject to the foregoing, the Corporation currently intends to pay dividends in 2015 to holders of Class A Shares on a quarterly basis and that the aggregate annual amount of such dividends is anticipated to be \$0.28 per annum per Class A Share. It is anticipated that dividends will be "eligible dividends" and thus qualify under the Tax Act for the enhanced gross up and dividend tax credit regime for certain holders of Class A Shares; however there can be no assurance that dividends will be declared and paid in the future or that all Dividends will be designated as eligible dividends.

Prior to the Conversion, the Fund paid monthly cash distributions to unitholders of record on the last business day of each month on or about the 15th day of the following month. The Fund made monthly cash distributions of \$0.04 per Unit for each of the months of January 2009 through to December 2010. The Fund made monthly cash distributions of \$0.0771 per Unit for each of the months of March 2006 through to December 2008. The Fund made monthly cash distributions of \$0.0729 per unit for each of the months of April 2005 through to February 2006. The Fund made a cash distribution of \$0.0825 per Unit for the four day period of February 25 - 28, 2005 and the month of March 2005.

DESCRIPTION OF TTSI

TTSI is a corporation organized under the laws of the Province of Alberta. The head office and registered office of TTSI is located at 3215 – 12th Street NE, Calgary, Alberta, T2E 7S9. All of the issued and outstanding common shares in the capital of TTSI are held by the Corporation. TTSI is the general partner and a limited partner of Trimac Transportation.

TTSI Share Capital

TTSI is authorized to issue an unlimited number of common shares. Each common share entitles its holder to receive notice of and to attend all meetings of the shareholders of TTSI and to one vote at such meetings. The holders of common shares are, at the discretion of its board of directors and subject to applicable legal restrictions, entitled to receive any dividends declared by the board of directors on the common shares. The holders of common shares are entitled to share equally in any distribution of the assets of TTSI upon the liquidation, dissolution, bankruptcy or winding-up of TTSI or other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

DESCRIPTION OF TRIMAC TRANSPORTATION

General

Trimac Transportation is a limited partnership established on November 12, 2004 under the laws of the Province of Alberta to acquire the Business. Trimac Transportation is governed by the LP Agreement.

Partnership Interests

Trimac Transportation is entitled to issue two types of partnership interests: limited partnership interests and general partnership interests. The general partnership interest is held by TTSI and the limited partnership interests are held by TTSI (96%) and the Corporation (4%). Holders of general partnership interests and limited partnership interests in Trimac Transportation are entitled to receive notice of, attend and vote at all meetings of partners.

Distributions

The policy of Trimac Transportation is to make quarterly cash distributions to its partners in an amount determined by the board of directors of TTSI in its sole and absolute discretion.

The LP Agreement provides that Trimac Transportation's cash distribution will be disbursed first to the general partner on the general partnership interest and then to the limited partners on the limited partnership interests on a pro rata basis.

Trimac Transportation may, in addition, make a special distribution at any other time.

Allocation of Income and Loss for Income Tax Purposes

The LP Agreement provides that the income or loss of Trimac Transportation for income tax purposes for each fiscal year will be allocated as follows:

- (a) TTSI shall be allocated an amount equal to the total amount of such loss, income or other amount multiplied by 0.01%; and
- (b) the remainder of such loss, income or other amount for the fiscal year shall be allocated to the limited partners on a pro rata basis.

Functions and Powers of TTSI, as General Partner

Subject to the terms of the LP Agreement, TTSI, as general partner, is authorized to carry on the business of Trimac Transportation, has full power and exclusive authority to administer, manage, control and operate the business of Trimac Transportation and has all rights and authority of a general partner according to the *Partnership Act* (Alberta).

Reimbursement of TTSI

All costs and expenses reasonably incurred by TTSI in carrying out its obligations under the LP Agreement and administering Trimac Transportation's affairs, including the costs incurred in connection with insurance and legal matters and in providing audit, income tax and other information to the limited partners, are reimbursed to TTSI by use of revenues of Trimac Transportation to pay any or all such costs, provided that TTSI shall not be entitled to any fee for providing services to Trimac Transportation.

Limited Liability

Trimac Transportation operates in a manner so as to ensure to the greatest extent possible the limited liability of the limited partners. Limited partners may lose their limited liability in certain circumstances. The LP Agreement provides that, if a limited partner's limited liability is lost other than by reason of some action or inaction by the limited partner, the general partner will indemnify the limited partner against all claims and liabilities that result from the limited partner not having limited liability as intended by the LP Agreement.

Transfer of Partnership Interests of Trimac Transportation

Partnership interests in Trimac Transportation cannot be sold, transferred, assigned or otherwise disposed of without the prior approval of TTSI.

MARKET FOR SECURITIES

The Class A Shares are listed on the TSX under the trading symbol TMA. The following table outlines the monthly trading price range and trading volume of the Class A Shares since January 1, 2014:

	Price Range (\$)		Trading Volume
	Low	High	
2014			
January	5.16	5.55	158,278
February	5.30	5.53	150,673
March	5.38	6.28	433,096
April	5.88	6.20	221,850
May	6.00	6.55	142,872
June	6.10	6.59	302,684
July	6.19	7.01	820,614
August	6.57	7.18	357,845
September	6.74	7.19	234,256
October	6.21	7.35	529,281
November	6.90	7.40	251,370
December	6.40	7.51	351,766
2015			
January	6.22	7.26	364,021

DIRECTORS AND MANAGEMENT

Directors of the Corporation

Following the Conversion, the directors of TTSI immediately prior to the Conversion became the Directors of the Corporation. Mr. Stephen W.C. Mulherin joined the Board on March 15, 2013.

The following table sets out the name, city, province and country of residence, position held with the Corporation and principal occupation of each person who is a director of the Corporation as of the date hereof and, if a director, the year in which the person became a director of the Corporation or a predecessor thereof. Each of the directors has been elected to serve until the next annual meeting of shareholders of the Corporation.

Names and Municipality of Residence	Director of Corporation Since / Predecessor Since	Current Principal Occupation
Jeffrey J. McCaig ⁽⁴⁾ Calgary, Alberta, Canada	2011 / 2005	Chairman and Chief Executive Officer of the Corporation; President and Chief Executive Officer of Trimac Holdings; Chairman and Chief Executive Officer of TMSLP; Chairman and Chief Executive Officer of Trimac U.S.
Maurice W. McCaig ⁽³⁾ Calgary, Alberta, Canada	2011 / 2005	President, Mo-Mac Investments Ltd. (private holding company)
Stephen W.C. Mulherin ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada	2013	Partner, Polar Capital (investment and management company)
M. Jerry Patava ⁽²⁾⁽⁵⁾ Toronto, Ontario, Canada	2011 / 2005	Chief Executive Officer, Great Gulf Group of Companies (builder and real estate developer)
Gerald A. Romanzin ⁽¹⁾⁽²⁾ Calgary, Alberta, Canada	2011 / 2005	Corporate Director
Andrew B. Zaleski ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta, Canada	2011 / 2005	Corporate Director

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Governance and Compensation Committee
- (3) Member of Health, Safety, Security and Environment Committee
- (4) Chairman of the Board
- (5) Lead Director

Jeffrey J. McCaig

Jeffrey J. McCaig has served in various senior leadership roles with the Corporation and its predecessors for over 30 years. Most recently, Mr. McCaig holds the offices of Chairman and Chief Executive Officer of the Corporation and has served as a director since January 2011. Mr. McCaig was a member of the Governance and Compensation Committee of the Corporation until February 2012. Prior to the completion of the arrangement converting the Fund to a corporate structure in January 2011, Mr. McCaig was the Chairman and a member of the Governance and Compensation Committee of TTSI since February 2005. Mr. McCaig also currently holds a number of other senior leadership positions within the Trimac Group of Companies including as the Chairman and Chief Executive Officer of Trimac U.S., the Chairman and Chief Executive Officer of TMS (GP) Inc., the general partner of TMSLP, and as a director, President and Chief Executive Officer of Trimac Holdings. In addition to his role at the Corporation, Mr. McCaig served on the board of Standard Life Assurance Company of Canada from December 2004 to May 31, 2013 and also sat as Chairman of its Conduct Review and Nomination Committee. Mr. McCaig joined the board of MEG Energy Corp. in March 2014. He has also been a director of Potash Corporation of Saskatchewan since January 2001 and currently is a member of its Compensation Committee and its Safety, Health and Environmental Committee. Mr. McCaig has been a director of Bantrel Company since June 2000 and became its Chairman in December 2007. Mr. McCaig is also a director and co-owner of the Calgary Flames Hockey Club and the Chairman of the Flames Foundation for Life.

Maurice W. McCaig

Maurice W. McCaig is the Corporation's longest serving employee and has performed many different roles and responsibilities for the Corporation and its predecessors over his 59 years of service. Most recently, Mr. McCaig has been a director of the Corporation since January 2011 and the Chair of its Health, Safety, Security and Environment Committee since February 2012. From February 2005 until January 2011, Mr. McCaig was a trustee of the Fund and a director of TTSI. From April 2009 until December 2010, Mr. McCaig was the President of TTSI. Mr. McCaig is also the President of Mo-Mac Investments Ltd., a private holding company, and is a director of Trimac Holdings.

Stephen W.C. Mulherin

Stephen W.C. Mulherin was appointed to the Corporation's board in March 2013 and is a member of the Audit Committee and the Health, Safety, Security and Environment Committee. Mr. Mulherin is a partner of Polar Capital, joining the partnership in 1997 and opening the Polar office in Calgary. He has experience as both an operator and private equity investor. Mr. Mulherin Chairs the board of Veresen Inc. and is a member of its HR committee. He has been a member of the Veresen Inc. board since 1997. He also sits on the board of Delphi Energy Corp. since 2009, and is the Chair of its Audit Committee. Most recently, Mr. Mulherin joined the Board of Journey Energy in June 2014 and is the lead director. In addition, he sits on the Audit Committee and chairs the HR & Compensation Committee. Mr. Mulherin has been a board and committee member (Audit, HR, Governance) of several public companies over the past 10 years, including Lockerbie & Hole Inc., TransAlta Power LP, Impax Energy Services Income Trust, Speedware Inc., Wittke Inc., BFC Construction Corporation, and Steeplejack Group Inc. He was a Governor and Vice Chair of Strathcona Tweedsmuir School from 2001 to 2011. Prior to joining Polar, Mr. Mulherin was Chief Financial Officer and Vice President Corporate Development of Trimac Limited until 1997 and prior to that, with a major Canadian bank in Corporate Banking. Mr. Mulherin received a BA from Queen's University and is a graduate of the Executive Management Program at Stanford University's Graduate School of Business.

M. Jerry Patava

M. Jerry Patava is the Chief Executive Officer of the Great Gulf Group of Companies, a position he has held since July 2007. He also serves as a corporate director for a number of public companies in Canada. Since January 2011, Mr. Patava has been a director of the Corporation, its lead director and a member of its Governance and Compensation Committee. From February 2005 until January 2011, Mr. Patava was a trustee of the Fund and the lead director and a member of the Governance and Compensation Committee of TTSI. In addition to his role at the Corporation, Mr. Patava serves as a director, chair of the Governance Committee and a member of the Audit Committee of EnerCare Inc., the successor of Consumers' Waterheater Income Fund, since January 1, 2011, and as a trustee, chair of the Governance Committee and a member of the Audit Committee of Consumers' Waterheater Income Fund from December 2002 until January 1, 2011. Mr. Patava is also a director of Capstone Infrastructure Corporation since June 2012 and is Chair of its Corporate Governance Committee.

Gerald A. Romanzin

Gerald A. Romanzin is a corporate director and has served as a director of a number of public corporations in Canada since 2002. Since January 2011, Mr. Romanzin has been a director of the Corporation and the Chairman of its Audit Committee since April 2011. Mr. Romanzin has also been a member of the Governance and Compensation Committee since February 2012. From February 2005 until January 2011, Mr. Romanzin was the Chairman of the board of trustees of the Fund and a director and member of the Audit Committee of TTSI. In addition to his role at the Corporation, Mr. Romanzin has been a director of Crescent Point Energy Corp. since July 2009 and is the Chairman of its Audit Committee and a member of its Reserves Committee and its Compensation Committee. Prior to its conversion to a corporate structure in July 2009, Mr. Romanzin was a director of the administrator of Crescent Point Energy Trust from March 2004. Mr. Romanzin has also been a director of Petrowest Corporation since July 2011 and is the Chairman of its Audit Committee. He also sits on its Governance Committee and its Compensation Committee. Prior to its conversion to a corporate structure in July 2011, Mr. Romanzin was a director of the administrator of Petrowest Energy Services Trust from July 2006. Mr. Romanzin was also a director of Porto Energy Corp. from May 2010 to May 2014. Mr. Romanzin was previously a director, Chairman of the Audit Committee and a member of the Governance Committee of the administrator of Ketch Resources Trust from January 2005 until June 2006 and a director, member of the Audit Committee, Governance Committee and Reserves Committee of the administrator of Focus Energy Trust from August 2002 until February 2008. Mr. Romanzin also previously served as a director and Chairman of the Audit Committee of Cadence Energy Inc. (formerly Kereco Energy Ltd.) from January 2005 until September 2008 and as a member of the Independent Review Committee of Titan Funds Incorporated from October 2007 until November 1, 2010. Prior to becoming a corporate director, Mr. Romanzin was an Executive Vice President of the TSX Venture Exchange and predecessor exchanges from 1995 to April 2002. Mr. Romanzin graduated from the University of Calgary with a Bachelor of Commerce degree and is a Chartered Accountant.

Andrew B. Zaleski

Andrew B. Zaleski is a corporate director. Mr. Zaleski has a long standing relationship with the Corporation and its predecessors which spans almost 30 years. Since January 2011, Mr. Zaleski has served as a director of the Corporation and is a member of its Audit Committee and the chairman of its Governance and Compensation Committee. Since February 2013, Mr. Zaleski has also been a member of the Corporation's Health, Safety, Security and Environment Committee. From February 2005 to January 2011, Mr. Zaleski was a director of TTSI and, during that time, he was also a member of its Audit Committee and was the chairman of its Governance and Compensation Committee. Prior to the creation of the Fund, Mr. Zaleski served as a director and chairman of the Audit Committee of Trimac Holdings from 2002 to 2005 and was the President of a predecessor of TTSI from 1983 to 2001. In addition to his role at the Corporation, Mr. Zaleski has been a director of Essential Energy Services Ltd. since June 2011 and was a director of Technicoil Corporation from 2005 to 2011 prior to its strategic combination with Essential Energy Services in 2011. From 2004 to 2009, Mr. Zaleski was a director of Orbus Pharma Inc. and served as its Chairman from 2005. From March 2002 to March 2003, Mr. Zaleski was the Chairman, President and Chief Restructuring Officer of Cage Logistics Inc. Mr. Zaleski also previously served as a director of Intera Information Technology Corporation from 1992 to 1996.

Officers of the Corporation

The name, municipality of residence and position held by each of the officers of the Corporation are set out below. Except as described below, the position held is the officer's principal occupation:

Name and Municipality of Address	Position with TTSI
Jeffrey J. McCaig Calgary, Alberta	Chairman and Chief Executive Officer
Edward V. Malysa Calgary, Alberta	President, Chief Operating Officer
Scott D. Calver Calgary, Alberta	Vice President, Chief Financial Officer
Amanda E. Sutton ⁽¹⁾ Calgary, Alberta	General Counsel
Mary Ann Kozlowicz ⁽¹⁾ Calgary, Alberta	Corporate Secretary

Note:

- (1) Amanda E. Sutton's and Mary Ann Kozlowicz's principal occupations are General Counsel and Corporate Secretary, respectively, of TMSLP. See "Business of Trimac - Shared Services Agreement".

Edward V. Malysa

Edward V. Malysa's principal occupation has been President and Chief Operating Officer of the Corporation since January 1, 2011. Prior to that, Mr. Malysa was Executive Vice President and Chief Operating Officer of TTSI from January 2008 until January 2011. In addition, for part of 2008, Mr. Malysa also held the position of Vice President and Chief Financial Officer of TTSI. From February 2005 until December 2007, his principal occupation was Vice President and Chief Financial Officer of TTSI. From 2003 until February 2005, Mr. Malysa was Vice President and Chief Financial Officer of Trimac Holdings. From 2001 to 2003, he was Vice President Finance of Trimac Holdings and prior to that he was Director of Acquisitions.

Scott D. Calver

Scott D. Calver's principal occupation has been Vice President and Chief Financial Officer of the Corporation since January 1, 2011. From December 1, 2008 until January 1, 2011, Mr. Calver's principal occupation was Vice President and Chief Financial Officer of TTSI. From December 2004 until November 2008, Mr. Calver was employed by ICS Courier where his most recent position was Vice President, Finance. Prior to ICS Courier, Mr. Calver was Controller with the Nutech Group of Companies.

Amanda E. Sutton

Amanda E. Sutton's principal occupation has been General Counsel of TMSLP since July 15, 2014. Ms. Sutton has acted as General Counsel of the Corporation since July 15, 2014. From August 6, 2013 to July 14, 2014, Ms. Sutton was Senior Corporate Counsel of TMSLP. Prior to that time, Ms. Sutton was a Senior Associate with Blake, Cassels & Graydon LLP from February 2012 until August 2013 and an Associate with McMillan LLP from July 2009 until February 2012.

Mary Ann Kozlowicz

Mary Ann Kozlowicz's principal occupation since August 8, 2014 has been Corporate Secretary of both TMSLP and the Corporation. From December 2006 to August 8, 2014 she was Assistant Corporate Secretary of TMSLP and from January 1, 2011 to August 8, 2014 Ms. Kozlowicz acted as Assistant Corporate Secretary of the Corporation. Prior to joining TMSLP, Ms. Kozlowicz was a paralegal at Magna International Inc., a position she held since 1998.

Ownership of Voting Securities by Directors and Officers

Please see "Trimac Transportation Ltd. — Voting Securities and Principal Holders Thereof".

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation, no director or executive officer of the Corporation is, as of the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while such director or executive officer was acting in his/her capacity as director, chief executive officer or chief financial officer of such company, except as set forth below.

To the knowledge of the Corporation, no director or executive officer of the Corporation or any shareholder holding a sufficient number of Shares of the Corporation to affect materially the control of the Corporation (a "significant shareholder") (a) is, as the date hereof, or has been, within the 10 years before the date hereof, the subject of an Order that was issued after such director or executive officer or significant shareholder ceased to be a director, chief executive officer or chief financial officer of any company and which resulted from an event that occurred while that person was acting in his/her capacity as director, chief executive officer or chief financial officer of such company; or (b) is, as of the date hereof, or has been within 10 years before the date of hereof, a director or executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as set forth below:

- Mr. Romanzin was a director of Porto Energy Corp. from May 20, 2010 until May 30, 2014 at which time he resigned with other board members and officers upon windup of Porto Energy's operations. Porto Energy was suspended by the TSX Venture Exchange and ceased traded in August 2014 by the Alberta Securities Commission, British Columbia Securities Commission and the Ontario Securities Commission.
- Jeffrey J. McCaig is a director of Orbus Pharma Inc. ("Orbus"). On or about May 17, 2010, Orbus commenced proposal proceedings pursuant to the provisions of section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. A proposal was submitted to and approved by the creditors of Orbus on September 28, 2010 and the proposal was approved by the court on October 18, 2010. Securities regulators for the Provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec issued cease trading orders in relation to the securities of Orbus for the failure by Orbus to timely file financial statements and related management's discussion and analysis.
- Until September 15, 2009, Andrew B. Zaleski was a director and chairman of Orbus. On or about May 17, 2010, Orbus commenced proposal proceedings pursuant to the provisions of section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) by filing a notice of intention to make a proposal. A proposal was submitted to and approved by the creditors of Orbus on September 28, 2010 and the proposal was approved by the court on October 18, 2010.
- Mr. Mulherin was a director of Impax Energy Services Income Trust from September 26, 2008 to December 22, 2008. Almost a full year later, on December 14, 2009, Impax announced that it obtained an order from the Alberta Court of Queen's Bench for creditor protection pursuant to the Companies' Creditors Arrangement Act.

Personal Bankruptcies

To the knowledge of the Corporation, in the last 10 years, no director, executive officer or significant shareholder of the Corporation has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold his or her assets or the assets of his or her holding company.

Penalties or Sanctions

To the knowledge of the Corporation, no director, executive officer or significant shareholder of the Corporation: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Jeffrey J. McCaig, the Chairman and Chief Executive Officer of the Corporation, is also Chairman and Chief Executive Officer of Trimac U.S. In addition to Jeffrey J. McCaig's beneficial ownership and control and direction over 45.26% of all of the issued and outstanding Shares, Jeffrey J. McCaig controls Trimac Holdings, which itself owns and controls Trimac U.S. and TMSLP. Maurice W. McCaig, a director of the Corporation, is also a director and significant shareholder of Trimac U.S. and Trimac Holdings. TMSLP provides services to Trimac Transportation pursuant to the Shared Services Agreement. Under the Strategic Alliance Agreement, subject to certain conditions, Trimac Transportation and Trimac U.S. have agreed to certain restrictive covenants preventing them from carrying on competing bulk trucking businesses.

Related Party Transactions must be approved by a majority of directors of the Corporation who are independent. The independent directors of the Corporation are required to approve any amendment to or the renewal of the Shared Services Agreement and the Strategic Alliance Agreement. The independent directors of the Corporation also have the authority to set the materiality thresholds for review and approval by the directors of Related Party Transactions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Jeffrey J. McCaig beneficially owns, directly or indirectly, or exercises control or direction over Shares carrying more than 10% of the outstanding voting rights attached to any class or series of voting securities of the Corporation. See

information set forth under the heading “Trimac Transportation Ltd. — Voting Securities and Principal Holders Thereof” elsewhere in this AIF.

Trimac Transportation entered into the Strategic Alliance Agreement with Trimac U.S., which is owned by Trimac Holdings and continues to operate the U.S. bulk trucking business. In addition, Trimac entered into the Shared Services Agreement with Trimac U.S. and TMSLP, which is owned by Trimac Holdings, pursuant to which TMSLP provides administrative services to each of Trimac and Trimac U.S. The principal offices of Trimac Holdings and TMSLP are in Calgary, Alberta and the principal office of Trimac U.S. is in Houston, Texas.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Class A Shares is Computershare Investor Services Inc., at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

The following are the material contracts of the Corporation and its subsidiaries entered into as of the date hereof or earlier and that remained in effect:

- (a) Shared Services Agreement — See “The Business of Trimac — Shared Services Agreement”;
- (b) Strategic Alliance Agreement — See “The Business of Trimac — Bulk Trucking Business — Strategic Alliance Agreement”;
- (c) The Credit Facility, which establishes a revolving credit facility for Trimac Transportation and TTSI, is in the amount of \$125.0 million with an accordion option to increase to \$150 million, and is secured and guaranteed by the Corporation (pursuant to the Debenture as described below), Trimac Transportation and certain of Trimac Transportation’s subsidiaries. Interest rates float, generally from Canadian prime plus 0.5% to 1.5%. In addition, the Credit Facility provides for LIBOR based loans and borrowing by use of bankers’ acceptances at interest rates generally from Canadian prime plus 1.5% to 2.5%. Interest rates are determined by grid pricing based on the Corporation’s ratio of debt to earnings before interest, taxes, depreciation and amortization. The Credit Facility is a revolving facility with a maturity date of July 31, 2017 (unless otherwise extended pursuant to the terms thereof). If the Credit Facility is not renewed in accordance with the terms thereof, the outstanding principal will be repayable on July 31, 2017.
- (d) A debenture dated as of November 2, 2011, as amended by a debenture amending agreement dated as of February 14, 2014 (as amended, the “Debenture”) granted by the Corporation (as grantor) in favour of the Bank of Nova Scotia (as administrator, lead arranger, bookrunner and lender) that secures and guarantees the obligations of TTSI and Trimac Transportation under the Credit Facility. The Debenture is in the aggregate maximum principal amount of \$225,000,000 and provides for a first floating security interest over the personal property and real property of the Corporation.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, are the auditors of the Corporation. PricewaterhouseCoopers LLP has prepared an independent auditors’ report dated February 26, 2015 in respect of the Corporation’s financial statements with accompanying notes as at and for the year ended December 31, 2014 and 2013. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation, TTSI and Trimac Transportation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

AUDIT COMMITTEE

Composition and Qualifications

As of the date hereof, the Audit Committee of the Board of Directors consists of three directors: Gerald A. Romanzin, Andrew B. Zaleski, and Stephen W.C. Mulherin all of whom are considered to be “financially literate” and independent. Gerald A. Romanzin became the Chairman of the Audit Committee in April 2011. The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities are described under “Directors and Management – Directors of the Corporation” in this AIF.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that restricts the use of the services of external auditors for non-audit engagements. The following summarizes the policy:

- The Corporation and its subsidiaries may engage the external auditors to provide tax advice without further consent of the Audit Committee provided that the annual fees payable to the external auditors for tax advice do not exceed \$75,000. If such annual fees exceed or are likely to exceed \$75,000, the consent of the Audit Committee is required.
- The Corporation and its subsidiaries may engage the external auditor for non-tax and non-audit services subject to the prior approval of the Chairman of the Audit Committee provided that the fees payable to the external auditor for any such engagement do not exceed \$10,000. If such fees exceed \$10,000, such services shall be subject to the prior approval of the Audit Committee.

External Auditor Service Fees

The following summarizes the total fees paid or payable to PricewaterhouseCoopers LLP, the external auditor of Trimac, for the years ended December 31, 2014 and December 31, 2013 (the Corporation, TTSI and Trimac Transportation):

<u>Service Description</u>	<u>2014</u>	<u>2013</u>
Audit Services	171,000	\$163,000
Audit Related Services	40,500	\$40,500
Tax Services	0	\$0
Other Services	9,500	\$8,500
Total	221,000	\$212,000

DOCUMENTS INCORPORATED BY REFERENCE

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained herein, or any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that is modified or superseded. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this AIF.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Information as to directors' and officers' remuneration and indebtedness and the principal holders of the Corporation's securities is contained in the Information Circular. Additional financial information is provided in the audited annual financial statements of the Corporation as at and for the year ended December 31, 2014.

ABBREVIATIONS AND DEFINITIONS

“**ABCA**” means the Business Corporations Act, R.S.A. 2000, c. B-9 and the regulations thereunder, each as amended from time to time;

“**AIF**” means this annual information form of the Corporation;

“**Arrangement**” means the arrangement under section 193 of the ABCA as set forth in the Plan of Arrangement;

“**Arrangement Agreement**” means the arrangement agreement dated as of November 1, 2010 among the Corporation, the Fund, TTSI and Trimac Holdings, a copy of which is attached as Appendix B to the management information circular of the Fund dated November 3, 2010, which is available on SEDAR at www.sedar.com;

“**Board of Directors**” means the board of directors of the Corporation;

“**Business**” means Trimac’s Canadian trucking, shop and washrack businesses and its North American transportation logistics business, as described under the heading “The Business of Trimac”;

“**Class A Shares**” means the class A common shares in the capital of the Corporation;

“**Class B Shares**” means the class B convertible voting shares in the capital of the Corporation. All of the issued and outstanding Class B Shares were converted into 7,108,741 Class A Shares on January 31, 2013;

“**Conversion**” means the conversion of the Fund from an income trust structure to a corporate structure pursuant to the Arrangement and related transactions described in the Arrangement Agreement;

“**Conversion Ratio**” in respect of the conversion of Class B Shares into Class A Shares, was equal to one at January 1, 2011 for each Class B Share, and thereafter was cumulatively adjusted between that time and the time as of which the Conversion Ratio was being calculated by increasing the Conversion Ratio on each Dividend Payment Date by an amount, rounded to the nearest five decimal places, equal to a fraction having as its numerator the product of the Conversion Ratio immediately prior to the applicable Dividend Payment Date and the Dividend on that Dividend Payment Date expressed in dollars and having as its denominator the Current Market Price of a Class A Share, expressed in dollars, on the last Business Day prior to that Dividend Payment Date. On January 31, 2013, all of the issued and outstanding Class B Shares were converted into 7,108,741 Class A Shares at a Conversion Ratio of 1.11489;

“**Corporation**” means Trimac Transportation Ltd., a corporation incorporated under the laws of the Province of Alberta;

“**Credit Facility**” means the Third Amended and Restated Credit Agreement dated as of February 14, 2014, among TTSI and Trimac Transportation (as borrowers), the Corporation and certain other subsidiaries of Trimac Transportation (as guarantors), The Bank of Nova Scotia (as administrator, lead arranger, bookrunner and lender), Canadian Imperial Bank of Commerce (as syndication agent and lender) and Royal Bank of Canada (as lender);

“**Current Market Price**” means, in respect of a Class A Share on any date, the weighted average trading price of a Class A Share on the TSX for the 10 trading days preceding that date, or, if the Class A Shares are not then listed on the TSX, on such other stock exchange or automated quotation system on which the Class A Shares are then listed or quoted, as the case may be, as may be selected by the Board of Directors for such purposes, or if the Class A Shares are not then so listed or quoted, then the Current Market Price of a Class A Share shall be the price determined by the Board of Directors, in good faith and in its sole discretion, for such purpose, and any such selection or determination by the Board of Directors shall be conclusive and binding; and for the purposes of this definition, the weighted average trading price shall be determined by dividing (a) the aggregate dollar trading value of all Class A Shares sold on the TSX (or other stock exchange or automated quotation system, if applicable) over the applicable 10 trading days by (b) the total number of Class A Shares sold on such stock exchange or system during such period;

“**Director**” means a member of the Board of Directors and “**Directors**” means all of the Directors;

“**Dividend**” means a cash dividend paid by the Corporation in respect of the Class A Shares expressed as an amount per Class A Share and for greater certainty includes a dividend paid by the issue of Class A Shares, the amount of which shall be expressed in dollars on a per Class A Share basis based upon the Current Market Price;

“Dividend Payment Date” means, for any Dividend declared by the Board of Directors, the date on which the Dividend is paid;

“Fund” means the Trimac Income Fund, an unincorporated open-ended trust established under the laws of the Province of Alberta pursuant to a declaration of trust dated January 7, 2005, as amended and restated on February 17, 2005, whose liabilities and obligations were assumed by the Corporation pursuant to the Conversion and which was dissolved on January 1, 2011;

“independent” has the meaning ascribed thereto in applicable securities laws and regulations;

“Information Circular” means the management information circular of the Corporation dated March 24, 2014 in connection with the annual and special meeting of Shareholders that was held on May 9, 2014, which is available on SEDAR at www.sedar.com;

“LP Agreement” means the amended and restated limited partnership agreement dated January 1, 2011 governing Trimac Transportation entered into between TTSI, as general partner and as limited partner, and the Corporation, as limited partner, as the same may be amended, supplemented, restated or amended and restated from time to time;

“McCaig Group” means M.W. McCaig, the estate of J.R. McCaig, each of the current and future descendants (including adopted persons) of J.R. McCaig and his siblings (whether alive or deceased), each person who was in the past, is currently or is in the future a spouse of (or person in a similar common law relationship with) J.R. McCaig or any of the foregoing, holding companies or other entities controlled by any of the foregoing (but only while they are controlled by such persons) and trusts in which any beneficiaries are members of the McCaig Group;

“McCaig Group Holdings” means, with respect to Shares, the aggregate number of Shares (including, without limitation, Shares allocated under the incentive plans of the Corporation, Trimac Transportation or TTSI whether or not the allocation of such Shares has vested) beneficially owned, directly or indirectly, by members of the McCaig Group; provided that if:

- (i) a holding company or other entity in the McCaig Group is not directly or indirectly wholly-owned by individual members of the McCaig Group; or
- (ii) all of the beneficiaries of a trust in the McCaig Group are not members of the McCaig Group;

the number of Shares held through that holding company or other entity or that trust will be measured on a proportional basis based on the direct and indirect economic ownership interest of individual members of the McCaig Group in the Shares held by that holding company, other entity or trust, as applicable; and when the McCaig Group Holdings are specified, or are to be determined, as a percentage of outstanding Shares means the percentage which the McCaig Group Holdings determined as aforesaid are of the aggregate number of Shares outstanding on a fully-diluted basis;

“Minimum Holdings Threshold” means 8,135,106 Shares on a fully-diluted basis, which number is approximately equal to the number of Units on a fully diluted basis beneficially owned by J.J. McCaig, his spouse and his sisters, or companies or trusts (including the estate of J.R. McCaig) related to them, directly or indirectly through Trimac Holdings as at February 25, 2005, the date of the initial public offering of the Units of the Fund;

“Plan of Arrangement” means the plan of arrangement attached as Schedule “A” to the Arrangement Agreement;

“Shared Services Agreement” means the amended and restated shared services agreement dated October 1, 2011 entered into between the Corporation, Trimac U.S., Trimac Holdings and TMSLP for the provision of certain administrative services by TMSLP to Trimac and Trimac U.S., as amended by an amending agreement dated February 21, 2013;

“Shareholder” means a holder of Shares;

“Shares” means, prior to January 31, 2013, the Class A Shares and/or the Class B Shares, as the context requires, and after January 31, 2013 means the Class A Shares;

“Strategic Alliance Agreement” means the strategic alliance agreement dated February 25, 2005 among Trimac Holdings, Trimac Transportation and Trimac U.S., which, among other things, imposes certain restrictive covenants on Trimac Transportation and Trimac U.S. as described further under the heading “The Business of Trimac — Bulk

Trucking Business — Strategic Alliance Agreement”, which was amended by (i) an amending agreement dated effective as of January 1, 2011, and (ii) an amending agreement dated effective as of July 1, 2013;

“**subsidiary**” and “**control**” have the respective meanings ascribed to such terms in the *Securities Act* (Alberta);

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

“**THL**” means, collectively, Trimac Holdings and TTL Share Holdco Ltd., a wholly owned subsidiary of Trimac Holdings incorporated under the laws of the Province of Alberta;

“**TMSLP**” means Trimac Management Services Limited Partnership, a limited partnership organized under the laws of the Province of Alberta;

“**Trimac**” means: (i) in respect of periods prior to January 1, 2005, TTSI and its subsidiaries and their predecessors, being the entities that conducted the Business on or before such date; (ii) in respect of the period from January 1, 2005 until December 31, 2010, Trimac Transportation and its subsidiaries, which acquired the Business on January 1, 2005 as part of the reorganization of TTSI; and (iii) in respect of periods following January 1, 2011, the Corporation and its subsidiaries including, without limitation, Trimac Transportation;

“**Trimac Holdings**” means Trimac Holdings Ltd., a corporation organized under the laws of the Province of Alberta;

“**Trimac Transportation**” means Trimac Transportation Services Limited Partnership, a limited partnership organized under the laws of the Province of Alberta and governed by the LP Agreement;

“**Trimac U.S.**” means Trimac Equipment Leasing Inc., a corporation organized under the laws of the State of Nevada, which indirectly owns and operates a bulk trucking business in the United States;

“**TSX**” means the Toronto Stock Exchange;

“**TTSI**” means Trimac Transportation Services Inc., a corporation organized under the laws of the Province of Alberta, which is the general partner and a limited partner of Trimac Transportation;

“**TTSI Exchangeable Shares**” means the Class A Exchangeable Shares, Series 1, the Class A Exchangeable Shares, Series 2, the Class B Exchangeable Shares, Series 3, the Class B Exchangeable Shares, Series 4 and the Class A Exchangeable Shares, Series 5 in the capital of TTSI, which TTSI Exchangeable Shares were transferred by the holders thereof to the Corporation pursuant to the Arrangement and which were cancelled effective January 1, 2011; and

“**Units**” means the trust units of the Fund, each Unit representing an equal undivided beneficial interest in the Fund.

In this AIF, references to “dollars” and “\$” are to the currency of Canada, unless otherwise indicated.

**SCHEDULE A
AUDIT COMMITTEE CHARTER**

**TRIMAC TRANSPORTATION LTD.
AUDIT COMMITTEE
TERMS OF REFERENCE**

A. Purpose

The purpose of the Audit Committee of the Board of Directors (the "**Committee**") is to assist the Board of Directors of the Corporation in fulfilling their responsibilities in relation to financial matters, including monitoring and overseeing the quality of the financial reporting and systems of internal control and risk management of the Corporation and its subsidiaries. The external auditors of the Corporation shall report to the Committee.

B. Mandate

Management is responsible for preparing the interim and annual financial statements of the Corporation and for maintaining a system of risk assessment and internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. The Committee is responsible for reviewing and monitoring management's actions in relation to the foregoing. While the Committee has the responsibilities and powers set forth in these Terms of Reference, it is not the duty of the Committee to plan or conduct audits, to determine that the Corporation's financial statements are complete, accurate and in accordance with international financial reporting standards ("**IFRS**"), or to certify the Corporation's financial statements. The Committee's responsibilities and powers are described below:

1. Financial Reporting.

The Committee shall:

- (a) review with management and the external auditors the Corporation's financial reporting in connection with the annual audit and the preparation of the financial statements, including, without limitation, the judgement of the external auditors as to the appropriateness of the accounting principles as applied by the Corporation in its financial reporting;
- (b) review with the external auditors, before completion of the annual audit of the Corporation, the Corporation's financial statements and the report of the external auditors thereon, in order to ensure that the external auditors are satisfied with the disclosure made to them of the required information and with the content of the financial statements in relation to IFRS;
- (c) review and recommend to the Board of Directors for approval, the audited annual financial statements of the Corporation and Management's Discussion and Analysis in respect thereof, and the financial information contained in the Corporation's Annual Information Form, Annual Report and Management Proxy Circular, prior to the public release thereof by the Corporation;
- (d) review the interim financial statements of the Corporation and Management's Discussion and Analysis in respect thereof with management and the external auditors and approve of the public release thereof by the Corporation;
- (e) review annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures;
- (g) review with management, the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial

position of the Corporation on a fully consolidated basis, and the manner in which these matters may be, or have been, disclosed in the Corporation's financial statements;

- (h) review management's plans regarding any changes in accounting practices or policies and the financial impact thereof; and
- (i) review accounting, tax and financial aspects of the operations of the Corporation as the Committee considers appropriate.

2. Appointment and Oversight of External Auditors.

The Committee shall:

- (a) annually make a recommendation to the Board of Directors as to the re-appointment or appointment of the external auditors of the Corporation;
- (b) review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation, (A) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation, (B) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors, and (C) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence;
- (c) pre-approve all non-audit services of the Corporation's external auditors, and review fees paid for these engagements;
- (d) periodically consider whether external auditors should be precluded from providing non-audit services to the Corporation;
- (e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors;
- (f) review and recommend to the Board of Directors the basis and the amount of the external auditors' fees;
- (g) review and approve the audit plans of the external auditors of the Corporation;
- (h) be responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting; and
- (i) meet separately with the external auditors to discuss matters of mutual interest, and to consider any matter that they recommend bringing to the attention of the full Board of Directors.

3. Internal Controls.

The Committee shall:

- (a) review with management, the Senior Manager Business Risk and Internal Controls and the external auditors, the effectiveness of The Corporation's internal controls;
- (b) establish procedures for receipt, retention and treatment of complaints and concerns regarding accounting, internal controls or audit matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- (c) review with external auditors any related party transactions as disclosed in the financial statements.

4. Risk Management.

The Committee shall:

- (a) review with management and the external auditors their assessment of significant risks and exposures;
- (b) review and assess the steps that management has taken to mitigate such risks; and
- (c) review management's program to obtain appropriate insurance to mitigate risks.

5. General.

The Committee shall fulfill any other responsibilities and duties required of the Committee pursuant to applicable law.

C. Committee and Procedures

1. Composition of Committee.

- (a) The Committee shall consist of not less than three directors of the Corporation, at least one-half of whom are resident Canadians (as defined in the *Business Corporations Act* (Alberta)).
- (b) All of the members of the Committee shall be independent (as such term is defined by section 1.4 of the Canadian Securities Administrators' National Instrument 52-110 *Audit Committees* and any other independence requirements of applicable corporate and securities laws in effect from time to time) with respect to the Corporation.
- (c) All members of the Committee shall be financially literate within the meaning established by National Instrument 52-110 and as determined by the Board of Directors from time to time.
- (d) Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board of Directors.

2. Appointment of Committee Members

Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

3. Committee Chair

The Board shall appoint a Chair for the Committee from among its independent members.

4. Absence of Committee Chair

If the Chair of the Committee is not present at any meeting of the Committee, one of the other independent members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

5. Secretary of Committee

The Corporate Secretary of the Corporation shall be Secretary of the Committee or in his or her absence such other person from time to time chosen by the Committee to act as Secretary of the Committee.

6. Meetings

The Committee shall meet at least four times per year and shall meet at such other times during each year as it deems appropriate. In addition, the Chair of the Committee may call a special meeting of the Committee at any

time. The Committee shall ensure that it meets the external auditors on a regular basis in the absence of management.

7. Quorum

A majority of the members of the Committee shall constitute a quorum.

8. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing (including by way of written facsimile communication) to each member of the Committee at least 24 hours prior to the time fixed for such meeting, provided however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9. Attendance at Meetings other than Present in Person

A member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meetings to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at that meeting.

10. Attendance of the Corporation's Officers at Meetings

At the invitation of the Chair of the Committee, one or more officers of the Corporation may attend all or any portion of any meeting of the Committee.

11. Procedure, Records and Reporting

Subject to any statute and the articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board). The minutes shall be maintained with the Corporation's records and shall be available for review by members of the Committee, the Board, management and the external auditor.

12. Delegation

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

13. Retention of Advisers

The Committee has the authority:

- (a) to engage independent counsel and other advisers as it determines necessary to carry out its duties;
- (b) to set and pay (at the expense of the Corporation) the compensation for any advisers employed by the Committee; and
- (c) to communicate directly with the external auditors.

14. Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference at least annually, and otherwise as it deems appropriate, and recommend changes to the Board.

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