

CONTRANS INCOME FUND

INFORMATION CIRCULAR

Solicitation of Proxies

This information circular is furnished in connection with the solicitation of proxies by the trustees (the "Trustees") of Contrans Income Fund (the "Fund") for use at the annual and special meeting (the "Meeting") of holders of units (the "Unitholders") of the Fund to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. References in this information circular to the Meeting include any adjournments thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by agents of the Fund. The cost of solicitation will be borne by the Fund.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are Trustees of the Fund. **A Unitholder desiring to appoint some other person, who need not be a Unitholder, to represent the Unitholder at the Meeting may do so by striking out the names of the persons designated therein and by inserting in the blank space provided for that purpose the name of the desired person, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the registered office of the Fund's transfer agent indicated on the enclosed envelope not later than the close of business on the second business day preceding the day of the Meeting (excluding Saturdays, Sundays and holidays).**

The Trustees of the Fund have by resolution fixed the close of business on April 2, 2004 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of and vote at the Meeting.

A Unitholder delivering the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Unitholder giving the proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The units represented by the proxy submitted by a Unitholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Unitholder or by his or her attorney authorized in writing, and deposited at the registered office of the Fund's transfer agent at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the units in respect of which they are appointed in accordance with the direction of the Unitholders appointing them. **In the absence of such direction, such units will be voted in favour of the election of the Trustees and Directors and the appointment of auditors referred to below and the passing of all of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this information circular, neither the Trustees of the Fund, nor the directors or officers of Contrans Corp. ("Contrans"), the administrator of the Fund, know of any such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to the Trustees of the Fund or the directors or officers of Contrans should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Interest of Certain Persons in Matters to be Acted Upon

To the knowledge of the Trustees of the Fund and the directors and officers of Contrans, except as set out herein and except insofar as they may be Unitholders of the Fund, no Trustee of the Fund, director of Contrans or officer of the Fund or Contrans, or any proposed nominee for election as a Trustee of the Fund, trustee of Contrans Operating Trust (the "Operating Trust") or director of Contrans, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

Securities and Principal Holders thereof

As at March 10, 2004, the following voting securities in the capital of the Fund were issued and outstanding:

Subordinate Voting Trust Units	20,880,714
Subordinate Voting Rights	5,273,214
Multiple Voting Rights	1,467,724

Each subordinate voting trust unit and subordinate voting right entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. Each multiple voting right entitles the holder thereof to ten votes on all matters to be acted upon at the Meeting. Subordinate voting trust units, subordinate voting rights and multiple voting rights are collectively referred to herein as the "units".

The Trustees have fixed the record date of April 2, 2004 for the purpose of determining Unitholders entitled to receive notice of and vote at the Meeting. Only persons registered as Unitholders on the books of the Fund as of the close of business on the record date are entitled to receive notice of and vote at the Meeting. The failure of any Unitholder to receive notice of the Meeting does not deprive the Unitholder of the right to vote at the Meeting.

To the knowledge of the Trustees and officers of the Fund and the directors and officers of Contrans, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Fund carrying more than 10% of the voting rights attached to any class of voting securities of the Fund as at March 10, 2004 is as follows:

<u>Name</u>	<u>Number (%) of Subordinate Voting Trust Units</u>	<u>Number (%) of Subordinate Voting Rights</u>	<u>Number(%) of Multiple Voting Rights</u>	<u>Percentage of Votes Attached to Voting Securities</u>
Stanley G. Dunford	470,791 (2.3%)	3,459,839 (65.6%)	1,377,724 (93.9%)	43.4%
Goodman & Company, Investment Counsel Ltd.	3,354,700 (16.1%)	-	-	8.2%
Eno Investments Limited	21,360 (0.1%)	690,640(13.1%)	-	1.7%

Executive Compensation

Summary Compensation Table

Under applicable securities legislation, the Fund is required to disclose certain financial and other information relating to the compensation of its Chief Executive Officer and the Fund's four most highly compensated executive officers (other than the Chief Executive Officer) whose total salary and bonus exceeds \$100,000. The Fund, however, does not carry on an active business. Rather, Contrans conducts the operations of the Fund. As described in more detail below, the executive officers of Contrans are compensated for acting in such capacities.

The summary compensation table below provides a summary of the compensation earned by the Chief Executive Officer of Contrans and certain other executive officers of Contrans (the "Named Executive Officers") for the year ended December 31, 2003 and the fiscal period ended December 31, 2002.

Name and Principal Position	Fiscal Period ⁽¹⁾	Annual Compensation			Long Term Compensation			All Other Compensation ⁽³⁾
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽²⁾ (\$)	Awards		Payouts	
					Securities Under Option/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Stanley George Dunford Chief Executive Officer of Contrans	2003	463,499	579,375	69,523	Nil	Nil	Nil	18,093
	2002 ⁽¹⁾	202,142	Nil	30,321	Nil	Nil	Nil	9,567
Gregory W. Rumble President and Chief Operating Officer of Contrans	2003	243,838	337,500	32,772	Nil	Nil	Nil	31,100
	2002 ⁽¹⁾	91,342	Nil	13,701	Nil	Nil	Nil	11,109
James S. Clark, Vice-President, Finance and Chief Financial Officer of Contrans	2003	119,823	50,000	Nil	Nil	Nil	Nil	980
	2002 ⁽¹⁾	45,228	Nil	Nil	Nil	Nil	Nil	375

Notes:

- (1) Represents the fiscal period commencing on July 23, 2002, being the date the Fund commenced significant operations, and ending on December 31, 2002.
- (2) The information under the column heading "Other Annual Compensation" represents 15% of the executive's base salary listed under the column heading "Salary" as executive benefits in accordance with their employment contracts to be distributed at their discretion.
- (3) Includes contributions to the cost of term life and disability insurance, automobile benefits and Trustee's fees.

Unit Option Plan

The Fund has implemented a unit option plan (the "Option Plan") which is designed to advance the interests of the Fund by encouraging employees, Trustees, directors and officers to have equity participation in the Fund through the acquisition of subordinate voting trust units.

Other Compensation Matters

There were no long-term incentive awards made to the Named Executive Officers during the fiscal year ended December 31, 2003. There are no pension plan benefits in place for the Named Executive Officers.

Employment Agreements

Dunford Employment Agreement

Contrans has entered into an employment agreement (the "Dunford Employment Agreement") with Stanley G. Dunford, the Chairman and Chief Executive Officer of Contrans, for an indefinite period. Pursuant to the Dunford Employment Agreement, Contrans pays to Mr. Dunford an annual base salary of \$425,000 with annual adjustments based on the increase in the Ontario Consumer Price Index (the "Dunford Base Salary"). For the year ended December 31, 2003, Mr. Dunford's base salary was \$463,499. Mr. Dunford receives additional compensation, including: (i) 50% of the annual bonus pool (the "Dunford Bonus") under Contrans' profit sharing plan; and (ii) executive benefits (the "Dunford Executive Benefits") being an annual cash payment equal to 15% of the Dunford Base Salary. Mr. Dunford is also entitled to the following: (i) short-term and long-term disability insurance coverage (the "Dunford Disability Insurance"); (ii) a minimum of eight weeks paid vacation per year; (iii) full reimbursement for all expenses relating to the purchase, lease, finance or operation of Mr. Dunford's automobile (the "Dunford Automobile Payments"); and (iv) participation in the Option Plan.

Pursuant to the Dunford Employment Agreement, Mr. Dunford is entitled to receive a lump sum payment (the "Dunford Severance") in the event that his employment is terminated by Contrans without just cause or in the event of Mr. Dunford's disability in an amount equal to: (i) 36 months of the Dunford Base Salary; (ii) 36 months of the Dunford Bonus (calculated based on the average bonus earned by Mr. Dunford in the two preceding complete fiscal years); (iii) 36 months of the Dunford Executive Benefits; (iv) 45% of the Dunford Base Salary in lieu of further executive benefits; (v) 24 weeks of the Dunford Base Salary in lieu of vacation pay; (vi) 36 months of continued coverage under the Dunford Disability Insurance; and (vii) an amount equal to the Dunford Automobile Payments in the three preceding complete fiscal years. In the event of Mr. Dunford's termination without just cause, the Dunford Employment Agreement does not require Mr. Dunford to mitigate his damages by seeking comparable alternate employment.

Further, in the event of a change of control of Contrans, Mr. Dunford has the right, for a period of 24 months after the occurrence of a change of control, to resign from his employment with Contrans and be paid an amount equal to the Dunford Severance. Change of control in the Dunford Employment Agreement means any person, entity or group of persons or entities acting jointly or in concert, other than associates or affiliates (as such terms are defined in the *Business Corporations Act* (Ontario)) of Mr. Dunford, acquiring direct or indirect beneficial ownership, control or direction (including, without limitation, the power to vote) over more than 20% of the issued and outstanding votes attaching to all the outstanding securities of the Fund. The change of control provision is not effective while any multiple voting rights are outstanding.

Rumble Employment Agreement

Contrans has entered into an employment agreement (the "Rumble Employment Agreement") with Gregory W. Rumble, the President and Chief Operating Officer of Contrans, for an indefinite period. Pursuant to the Rumble Employment Agreement, Contrans pays to Mr. Rumble an annual base salary of \$270,000 with annual adjustments based on the increase in the Ontario Consumer Price Index (the "Rumble Base Salary"). For the year ended December 31, 2003, Mr. Rumble's base salary was \$243,838. Mr. Rumble receives additional compensation, including: (i) 25% of the annual bonus pool (the "Rumble Bonus") under Contrans' profit sharing plan; and (ii) executive benefits (the "Rumble Executive Benefits") being an annual cash payment equal to 15% of the Rumble Base Salary. Mr. Rumble is also entitled to the following: (i) short-term and long-term disability insurance coverage (the "Rumble Disability Insurance"); (ii) a minimum of six weeks paid vacation per year; (iii) full reimbursement for all expenses relating to the purchase, lease, finance or operation of Mr. Rumble's automobile (the "Rumble Automobile Payments"); and (iv) participation in the Option Plan.

Pursuant to the Rumble Employment Agreement, Mr. Rumble is entitled to receive a lump sum payment (the "Rumble Severance") in the event that his employment is terminated by Contrans without just cause in an amount equal to: (i) 24 months of the Rumble Base Salary; (ii) 24 months of the Rumble Bonus (calculated based on the average bonus earned by Mr. Rumble in the two preceding complete fiscal years); (iii) 24 months of the Rumble Executive Benefits; (iv) 30% of the Rumble Base Salary in lieu of further executive benefits; (v) 12 weeks of the Rumble Base Salary in lieu of vacation pay; (vi) 24 months of continued coverage under the Rumble Disability Insurance; and (vii) an amount equal to the Rumble Automobile Payments in the two preceding complete fiscal years. In the event of Mr. Rumble's termination without just cause, the Rumble Employment Agreement does not require Mr. Rumble to mitigate his damages by seeking comparable alternate employment.

Further, in the event of a change of control of Contrans, Mr. Rumble has the right, for a period of 24 months after the occurrence of a change of control, to resign from his employment with Contrans and be paid an amount equal to the Rumble Severance. Change of control in the Rumble Employment Agreement is defined to mean: (i) Mr. Dunford no longer holding the office of Chairman or President; and (ii) any person, entity or group of persons or entities acting jointly or in concert, other than associates or affiliates (as such terms are defined in the *Business Corporations Act* (Ontario)) of Mr. Dunford, acquiring direct or indirect beneficial ownership, control or direction (including, without limitation, the power to vote) over more than 20% of the total issued and outstanding votes attaching to all the outstanding securities of the Fund. Where a change of control arises from Mr. Dunford no longer holding the office of Chairman or President, Mr. Rumble has agreed that he cannot exercise his severance rights for a period of 12 months and thereafter may only exercise such rights for a period of 12 months. In addition, the elimination of Multiple Voting Rights held by Mr. Dunford will not constitute or cause a change of control pursuant to the definition of change of control in the Rumble Employment Agreement.

The Rumble Severance is also payable in the event that Mr. Rumble is unable to perform his fundamental duties as a result of physical or mental disability, resulting in Contrans terminating his employment.

Compensation of Trustees of the Fund and Directors of Contrans

Trustees are entitled to compensation for services rendered to the Fund in their capacities as trustees, unless they are paid compensation in their capacities as trustees of Contrans Operating Trust or directors of Contrans. For the year ended December 31, 2003, compensation for trustees and for directors was \$10,000 per year plus an additional \$3,000 per year for each chair of a committee. For the year ended December 31, 2003, all trustees and directors, as applicable, were paid \$1,000 for each meeting attended in person and \$500 for each meeting attended by conference call. The trustees and directors, as applicable, are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending board or committee meetings in connection with their services as trustees or directors, as applicable.

Indebtedness of Trustees and Executive Officers

No current Trustee of the Fund, director of Contrans or executive officer of the Fund or Contrans, no individual who held such position during the fiscal year ended December 31, 2003, no proposed nominee for election as a Trustee of the Fund, trustee of the Operating Trust or director of Contrans and no associate of any of the foregoing, is, or during the fiscal year ended December 31, 2003 has been, indebted to the Fund or any of its subsidiaries, nor has the indebtedness of any of them to another entity been the subject of guarantee, support agreement, letter of credit or similar arrangement or undertaking provided by the Fund or any of its subsidiaries.

Liability Insurance

Contrans provides insurance for the benefit of the Trustees of the Fund, directors of Contrans and officers of the Fund and Contrans against liability incurred by them in such capacities. The current annual policy limit is \$10 million and contains a deductible clause of \$100,000 payable by Contrans. During the policy year of March 31, 2003 to March 31, 2004, Contrans paid an annual premium of \$80,000 for this insurance.

Interests of Insiders in Material Transactions

Except as set out below, none of the insiders of the Fund, nor any proposed nominee for election as a Trustee of the Fund, trustee of the Operating Trust or director of Contrans, nor any associate or affiliate of such persons, has had any material interest, direct or indirect, in any transaction since the commencement of the Fund's last financial year or in any proposed transaction, which has materially affected or would materially affect the Fund or any of its subsidiaries.

The Fund and its affiliates acquire in the ordinary course of business a portion of their requirements for tractors and equipment repairs from Peterbilt of Ontario Inc. Mr. Dunford, Chief Executive Officer and a Trustee of the Fund, owns directly a majority interest in Peterbilt of Ontario Inc.

Composition of the Compensation Committee

The compensation committee of the Fund assists the Trustees' in determining and administering the compensation of the executive officers of the Fund and its subsidiaries. The compensation committee of the Fund is comprised of three trustees, Archie M. Leach (Chairman), Robert B. Burgess and Gregory W. Rumble. Mr. Rumble is also the Chief Operating Officer and President of the Fund.

Report on Executive Compensation

The Fund's executive compensation program is composed of base salaries, short-term incentives in the form of cash bonus opportunities, long-term incentives in the form of options and competitive group insurance coverage and perquisites. The various components of the Fund's executive compensation program are designed to play a roll in:

1. Providing a competitive level of compensation;
2. Retaining and motivating its executives who are critical to the Fund's long-term success; and
3. Reinforcing the link between the Unitholders' interest and the compensation of the Fund's executives.

Base Salary

Individual executive salaries are normally set at or below the median salary ranges for comparable entities.

Short-Term Cash Bonuses

Pay for performance is an important underlying principle of the Fund's executive compensation philosophy, with the result that variable compensation can represent a substantial proportion of total compensation. The Fund administers a short-term cash bonus incentive plan which is based on distributions paid throughout the year. Such short-term cash bonuses are paid shortly following the year in which they are earned.

Long-Term Incentive Plan

In 2002, the Option Plan was implemented by the Fund. Options are granted at the discretion of the Board of Trustees based on the contribution made by the individuals toward the long-term success and growth of the Fund.

Compensation of the Chief Executive Officer

The three main components of the compensation of the Chief Executive Officer of Contrans are base salary, annual incentive and a long-term incentive based on the increase in the value of units under the Option Plan. Competitive benefits and perquisites are also provided.

The Chief Executive Officer's compensation is determined in accordance with the Fund's executive compensation program, as outlined above.

Review of Executive Compensation

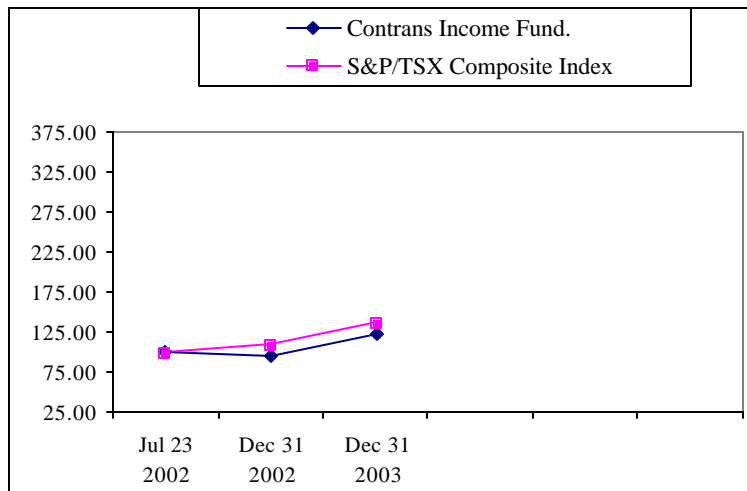
During 2003, the Compensation Committee engaged an independent consulting firm to perform a complete review of the executive compensation of senior management. The compensation committee considered the report in connection with its review of the Fund's executive compensation program.

Submitted on behalf of the Compensation Committee:

Archie M. Leach, Chairman
Robert B. Burgess
Gregory W. Rumble

Performance Graph

The following graph compares the yearly percentage change in the cumulative total unitholder return for an initial investment of Cdn\$100 in subordinate voting trust units on July 23, 2002, being the date the subordinate voting trust units were listed and posted for trading on the Toronto Stock Exchange (the "TSX"), and on December 31, 2002 and December 31, 2003, against the cumulative total shareholder return of the S&P/TSX Composite Index for the two most recently completed fiscal years of the Fund, assuming the reinvestment of all distributions.



	<u>Jul 23 2002</u>	<u>Dec 31 2002</u>	<u>Dec 31 2003</u>
Contrans Income Fund	100.00	95.27	122.81
S&P/TSX Composite Index	100.00	108.31	137.25

Statement of Corporate Governance Practices

Corporate Governance

The TSX has adopted guidelines for effective corporate governance which address the constitution and independence of boards, the functions to be performed by boards and their committees and the recruitment, effectiveness and education of board members. A description of the Fund's corporate governance practices is set out below, including a discussion of the principal matters relating to corporate governance practices discussed in the TSX guidelines.

Mandate

As Unitholders of the Fund are aware, the Fund, through its operating subsidiaries, is one of Canada's leading providers of freight transportation services and offers a wide range of truckload services to the flatbed, van, tank, dump and liquid areas of the freight transportation market. The Fund operates in the school bus market as a provider of transportation for school children attending public and private schools. The Fund operates primarily in Ontario, Quebec, the Atlantic provinces and the eastern, midwestern and southern United States. The Board of Trustees of the Fund together with its officers and employees are committed to fulfilling its mandate, which may be summarized as follows:

1. To provide transportation services in a responsible manner, with primary concern for the safety of the public;
2. To provide its employees and independent drivers with a safe and positive working environment in which loyalty and exemplary customer service are fostered;
3. To serve its customers in a timely, efficient and diligent manner; and
4. To provide transportation services on a competitive basis.

Recruitment of New Trustees

The Fund is developing a procedure for recruiting new Trustees and addressing other performance enhancing measures. The Corporate Governance Committee is responsible for analyzing the requirements of the Board of Trustees of the Fund when vacancies arise on the Board and recommending nominees who meet the requirements.

Unitholder Feedback and Concerns

The Fund is dedicated to the maintenance of good Unitholder relations and attempts to deal with any expressed concerns of Unitholders in an effective and timely manner. In particular, the Fund takes special efforts to ensure that all legal and stock exchange requirements are addressed in a timely and effective manner. The Fund has few concerns or complaints expressed to it by Unitholders, but attempts to deal with the same effectively, in an informal manner.

Board Expectations of Management

The Board of Trustees expects management to operate the business in accordance with the mandate referred to above and to achieve maximum Unitholder value, consistent with public and employee safety and the other objectives referred to above. The results of the management activities are reviewed monthly by the Board.

TSX Corporate Governance Guidelines

The TSX report proposes 14 specific guidelines for effective corporate governance and requires each listed company to disclose its approach to corporate governance and, where the company's system is different from the guidelines, an explanation of the differences. The approach of the Fund to the specific guidelines is as follows:

1. The Board should explicitly assume responsibility for stewardship of the Fund, and specifically for:

(i) Adoption of Strategic Planning Process;

The Board of Trustees of the Fund and management have not formally adopted a strategic planning process. However, both the management and members of the Board of Trustees of the Fund continually seek to expand and enhance the business and to seek new opportunities within the mandate of the Fund.

(ii) Identification of Principal Risks and Ensuring Implementation of Risk Management Systems;

Management of the Fund and Contrans has identified the principal risks of the business, which relate primarily to its involvement in the transportation business and the products transported and students bussed. Also of significance is the ability of the Fund to address differing levels of general economic activity which will affect the revenues of the business. The Fund believes that it has adequate training and quality control procedures and insurance to address the transportation risks and that its cost controls and capital base are sufficient to deal with economic fluctuations.

(iii) Succession Planning and Monitoring Senior Management;

The Corporate Governance Committee is responsible for making recommendations to the Board of Trustees of the Fund as to succession planning, including appointing, training and monitoring senior management of the Fund and entities controlled by the Fund.

(iv) Communications Policy;

The Fund has not adopted a formal communications policy. It does however have procedures in place to ensure compliance with its statutory reporting and disclosure requirements.

(v) Integrity of Internal Control and Management Information Systems;

Management of the Fund believes that adequate controls are in place to protect the integrity of the Fund's internal control and management information systems. These controls are subject to periodic management reports to the Board of Trustees of the Fund.

2. Majority of Trustees should be "unrelated" (independent of management and free from conflicting interest).

Consistent with the approach to the management and operations of the Fund, as set out above, the Board of Trustees of the Fund consists of five individuals, two of whom are officers of the Fund and three of whom are unrelated. Although Mr. Dunford is a significant Unitholder of the Fund, the Board of Trustees believe that the number of Trustees who do not have interests in or relationships with the Fund or Mr. Dunford fairly reflects the investment in the Fund by Unitholders other than Mr. Dunford.

3. Disclosure for each Trustee whether he is related, and how that conclusion is reached.

Mr. Dunford is an officer and a significant Unitholder of the Fund and Mr. Rumble is an officer of the Fund and accordingly each is a related Trustee. None of the remaining three Trustees is a member of management of the Fund or has any interest or business or other relationship which could, or could reasonably be perceived to, materially interfere with the Trustee's ability to act with a view to the best interests of the Fund, other than interests and relationships arising from their unitholdings.

4. Appoint a committee responsible for the appointment/assessment of Trustees.

The Corporate Governance Committee is responsible for analyzing the requirements of the Board of Trustees of the Fund when vacancies arise on the Board and recommending nominees who meet the requirements.

5. Implement a process for assessing the effectiveness of the Board, its committees and individual Trustees.

The Corporate Governance Committee is responsible for reviewing on a periodic basis, the composition of the Board of Trustees of the Fund to ensure that an appropriate number of independent trustees sit on the Board of Trustees of the Fund. Mandates have been developed for the Audit Committee and Corporate Governance Committee and are reviewed, as appropriate. The Corporate Governance Committee is currently in the process of developing mandates for the board of trustees and other committees.

6. Provide orientation and education programs for new Trustees.

The Corporate Governance Committee is responsible for approving an appropriate orientation and education program for new members of the Board of Trustees of the Fund.

7. Consider reducing the size of the Board, with a view to improving effectiveness.

The Fund believes that the size of its Board of Trustees is appropriate for its operations.

8. Review compensation of Trustees in light of risks and responsibilities.

The Board of Trustees of the Fund believes that the remuneration of the Trustees is adequate having regard to the responsibilities and risk involved with being an effective Trustee. The Corporate Governance Committee is responsible for considering the adequacy and form of compensation paid to the Trustees of the Fund and committee members.

9. Committees should generally be composed of outside Trustees and a majority of Committee members should be unrelated.

The three committees of the Board of Trustees of the Fund are the Audit Committee, the Compensation Committee and the Corporate Governance Committee. The Audit Committee and the Corporate Governance Committee are each comprised of three Trustees, Archie M. Leach, Robert B. Burgess and G. Ross Amos, all of whom are outside and unrelated Trustees. The Compensation Committee is comprised of three trustees, Archie M. Leach, Robert B. Burgess and Gregory W. Rumble, a majority of whom are outside and unrelated Trustees.

10. Appoint a committee responsible for approach to corporate governance issues.

The Corporate Governance Committee has been formally mandated to develop the Fund's approach to governance issues.

11. Define limits to management's responsibilities by developing mandates for the Board and the President and approve the President's corporate objectives.

As set forth above, the Corporate Governance Committee is currently in the process of developing a mandate for the Board of Trustees. The Board of Trustees, upon recommendation of the Compensation Committee, reviews and approves the terms of the employment agreements of Messrs. Dunford and Rumble, which provide a brief description of their responsibilities. With these exceptions, there are no formal position descriptions for the Board or the President or other defined limits to management's responsibilities, nor are there defined objectives which the President is responsible for meeting.

12. Establish structures and procedures to enable the Board to function independently of management.

The Corporate Governance Committee is responsible for recommending procedures to permit the Board of Trustees of the Fund to meet not less frequently than annually without management present (other than management members who are Trustees). Trustees who have an interest in a particular matter under consideration declare the same and refrain from discussing or voting on the matter or absent themselves from the meeting during the discussion and vote.

13. Establish an audit committee with a specifically defined mandate, all members of which should be outside Trustees.

The Audit Committee is comprised solely of outside Trustees of the Fund. Its mandate includes the review of financial statements and reviewing and reporting to the Board of Trustees on internal controls of the Fund. The Audit Committee meets periodically with the Fund's external auditors in the absence of management.

14. Implement a system to enable individual Trustees to engage outside advisors at the Fund's expense.

The Corporate Governance Committee is responsible for considering and, if thought fit, approving requests from Trustees of the Fund or committees of the Trustees to engage special advisors.

Particulars of Matters to be Acted Upon

Election of Trustees

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote in favour of the election, as Trustees of the Fund, of the nominees whose names are set forth below. All of the nominees are currently Trustees of the Fund. Each Trustee will hold office for a term expiring at the close of the next annual meeting of Unitholders, unless his office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Trustees do not contemplate that any of the nominees will be unable to serve as a Trustee, but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of Proxy reserve the right to vote for another nominee at their discretion.

The following table and the notes thereto set forth the names of the persons proposed to be nominated for election as Trustees, their principal occupations or employments, the periods during which they have served as Trustees of the Fund and the approximate number of units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, as of March 10, 2004. Each Trustee elected will hold office until the close of business of the first annual meeting of Unitholders following his election unless his office is earlier vacated.

Name and Municipality of Residence	Position with the Fund	Principal Occupation	No. of units Beneficially Owned, Controlled or Directed⁽¹⁾	Trustee Since
Stanley G. Dunford Woodstock, Ontario	Chairman of Trustees and Chief Executive Officer	Chairman of the Trustees and Chief Executive Officer of Contrans	5,304,032 ⁽²⁾	2002
Gregory W. Rumble Dorchester, Ontario	Trustee, President and Chief Operating Officer	President and Chief Operating Officer of Contrans	567,750	2002
Robert B. Burgess Campbellville, Ontario	Trustee	Barrister and Solicitor	309,412	2002
Archie M. Leach London, Ontario	Trustee	President and Chief Executive Officer of Carroll Healthcare Inc., a manufacturer of healthcare products	316,466	2002
G. Ross Amos Mississauga, Ontario	Trustee	President of Everest Canadian Property Company, a real estate investment bank	1,000	2002

Notes:

- (1) The information as to units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Fund, has been furnished by the proposed nominees.
- (2) See "Securities and Principal Holders Thereof".

Nomination for Election to the Board of Trustees of Contrans Operating Trust

Pursuant to the Declaration of Trust, Unitholders are indirectly entitled to elect the board of trustees of the Operating Trust. The nominees for election to the board of trustees of the Operating Trust will be the same individuals as the Trustees of the Fund set out in the chart above. Each trustee of the Operating Trust elected will hold office until the close of business of the first annual meeting of unitholders of the Operating Trust following his election unless his office is earlier vacated. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for directing the Trustees of the Fund to vote the securities of the Operating Trust so as to elect such nominees as trustees of the Operating Trust.

Nomination for Election to the Board of Directors of Contrans

Pursuant to the Declaration of Trust and the declaration of trust of the Operating Trust, Unitholders are indirectly entitled to elect the board of directors of Contrans. The nominees for election to the board of directors of Contrans will be the individuals set out in the chart below. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for directing the Trustees of the Fund to direct the trustees of the Operating Trust to vote the securities of Contrans so as to elect such nominees as directors of Contrans.

The following table and the notes thereto set forth the names of the persons proposed to be nominated for election as directors of Contrans, their principal occupations or employments, the periods during which they have served as directors of Contrans and the approximate number of units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, as of March 10, 2004. Each director elected will hold office until the close of business of the first annual meeting of shareholders of Contrans following his election unless his office is earlier vacated.

Name and Municipality of Residence	Principal Occupation	No. of units Beneficially Owned, Controlled or Directed ⁽¹⁾	Director Since
Stanley G. Dunford Woodstock, Ontario	Chairman of the Trustees and Chief Executive Officer of Contrans	5,304,032 ⁽²⁾	1988
Gregory W. Rumble Dorchester, Ontario	President and Chief Operating Officer of Contrans	567,750	1991
Robert B. Burgess Campbellville, Ontario	Barrister and Solicitor	309,412	1984
Archie M. Leach London, Ontario	President and Chief Executive Officer of Carol HealthCare Inc., a manufacturer of healthcare products	316,466	1992
P. Anthony Ennis Oakville, Ontario	President of Round Oak Management Ltd. (management consulting)	5,000	2001

Notes:

(1) The information as to units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Fund, has been furnished by the proposed nominees.

(2) See "Securities and Principal Holders Thereof".

Increase in Number of Subordinate Voting Trust Units Reserved for Issuance Upon Exercise of Options Under the Option Plan

Unitholders are being asked to authorize and approve a resolution authorizing an amendment to the Option Plan to increase the maximum number of subordinate voting trust units that may be reserved for issuance upon exercise of options granted hereunder from 1,581,831 to 2,762,165, an increase of 1,180,334.

Option grants are a critical element of Contrans' compensation policy and enable Contrans to attract and retain talented people in a competitive global environment. If Contrans is not successful in attracting and retaining talented employees, its ability to execute strategy, drive financial results and increase unitholder value may be adversely affected. In light of the above, the Board proposes to amend the Option Plan by increasing the maximum number of subordinate voting trust units reserved for issuance

upon exercise of options under the Option Plan to 2,762,165, an increase of 1,180,334, representing approximately 10% of the issued and outstanding subordinate voting trust units and class A and class B limited partnership units of Contrans Holding Limited Partnership (collectively, the "Securities") as at March 10, 2004. Management of Contrans believes that the proportion of the number of subordinate voting trust units issuable under the Option Plan relative to the number of issued and outstanding Securities is within a competitive range in its industry.

All other provisions of the Option Plan will remain in full force and effect. The Board has approved the amendment to the Option Plan, subject to shareholder and stock exchange approvals.

The Option Plan provides that: (i) the aggregate number of subordinate voting trust units reserved for issuance pursuant to options granted to insiders shall not exceed 10% of the total number of Securities then outstanding; (ii) the aggregate number of subordinate voting trust units issued to insiders pursuant to the exercise of options, within a one-year period, shall not exceed 10% of the total number of Securities then outstanding; (iii) the aggregate number of subordinate voting trust units issued to any one insider and such insider's associates pursuant to the exercise of options, within a one-year period, shall not exceed 5% of the total number of Securities then outstanding; and (iv) the aggregate number of subordinate voting trust units reserved for issuance to any one person pursuant to the grant of options shall not exceed 5% of the total number of Securities then outstanding (all on a non-diluted basis). Any subordinate voting trust units subject to a share option which for any reason is cancelled or terminated without having been exercised shall again be available for grant under the Option Plan. As of the date hereof, 1,575,000 subordinate voting trust units have been reserved for issuance pursuant to options granted under the Option Plan and no subordinate voting trust units have been issued pursuant to exercises of options granted under the Option Plan. As such, a total of 1,581,831 subordinate voting trust units are reserved for issuance in connection with the Option Plan.

Contrans will not provide any optionee with financial assistance in order to enable such optionee to exercise options granted under the Option Plan.

The Board recommends that unitholders vote for the adoption of the resolution. In order to be effective, the resolution must be approved by the affirmative vote of a majority of the votes cast at the Meeting in respect of such resolution.

Unless otherwise indicated, the persons named in the accompanying proxy intend to vote for the resolution with respect to the increase in the number of subordinate voting trust units available for issuance under the Option Plan on any ballot requested or required by law.

The text of the resolution to be submitted to unitholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"BE IT RESOLVED THAT:

1. Contrans' unit option plan be and same is hereby amended to provide that the number of subordinate voting trust units reserved for issuance upon exercise of options granted thereunder and under all other compensation plans be increased from 1,581,831 to 2,762,165, an increase of 1,180,334.
2. Any director or officer of Contrans be and is hereby authorized and directed, acting for, in the name of and on behalf of Contrans, to execute or cause to be executed, under the seal of Contrans or otherwise, and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer of Contrans may be necessary or desirable to carry out the intent of the foregoing resolution."

Appointment of Auditors of the Fund

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditors of the Fund, to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Trustees. KPMG LLP, Chartered Accountants, was first appointed as auditors on May 21, 2003.

Trustees' Approval

The contents of this management information circular and the sending thereof have been approved by the trustees of the Fund.

"Stanley G. Dunford"
Trustee

Woodstock, Ontario
April 2, 2004