

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; however proxies may also be solicited personally or by telephone by Trustees of the Fund or by directors, officers or regular employees of Contrans Corp. ("Contrans") without special compensation. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Fund.

The Trustees of the Fund have by resolution fixed the close of business on March 16, 2009 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. Duly completed and executed proxies must be received by the Fund's transfer agent at the address indicated on the enclosed envelope no later than the close of business on the second business day preceding the day of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournments thereof.

Unless otherwise stated, the information contained in this management information circular is as of February 28, 2009. All dollar amounts referenced herein, unless otherwise stated, are expressed in Canadian dollars.

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, Computershare Trust Company of Canada at 100 University Avenue, 9th Floor, Toronto, Ontario, as 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) or any adjournments thereof.**

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, Computershare Trust Company of Canada at 100 University Avenue, 9th Floor, Toronto, Ontario, 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, nor 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 or Companies 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 executive 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 of securities or otherwise, in matters to be acted upon at the Meeting.

Securities and Principal Holders of Voting Securities

As at February 28, 2009, the following voting securities in the capital of the Fund were issued and outstanding:

Subordinate Voting Trust Units	23,552,831
Subordinate Voting Rights	4,810,127
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 March 16, 2009 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 executive officers of the Fund and the directors and executive officers of Contrans, the only persons or companies that beneficially owned, directly or indirectly, or exercised 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 February 28, 2009 were 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	568,811 (2.42%)	3,309,839 (68.81%)	1,377,724 (93.87%)	41.02%
Goodman & Company, Investment Counsel Ltd.	2,969,200 (12.61%)	-	-	6.90%
Mawer Investment Management Ltd.	2,658,056 (11.29%)	-	-	6.18%
CIBC Global Asset Management Inc.	2,617,820 (11.11%)	-	-	6.08%
Eno Investments Limited	21,360 (0.09%)	690,640 (14.36%)	-	1.65%

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of Compensation Program

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to compensation issues and to establish a plan of continuity for executive officers and other members of senior management. The Compensation Committee ensures that the Fund has an executive compensation plan that is both motivational and competitive so that it will attract, retain and motivate performance of executive officers that will enhance the sustainable profitability and growth of the Fund.

Overview of the Compensation Philosophy

The following principles guide the Fund's overall compensation philosophy:

- (i) compensation is determined on an individual basis by the need to attract, retain and motivate talented executives who are critical to the Fund's long-term success;
- (ii) calculating total compensation is set with reference to the market for similar positions in comparable income funds and transportation companies in Canada in order to provide a competitive level of compensation;
- (iii) an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;
- (iv) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (v) the Fund supports reasonable expenses in order that employees continuously maintain and enhance their skills.

Compensation Review Process

The Compensation Committee reviews and recommends the compensation philosophy and guidelines for executive management, for recommendation to the Board for its consideration and approval. The Compensation Committee, which is composed entirely of independent Trustees, met once in 2008 with Messrs. Dunford and Rumble, to review and approve for recommendation to the Board, the terms of their respective employment agreements.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each other executive officer. It then submits to the Board recommendations with respect to the bonus and participation in option compensation arrangements for each executive officer.

Elements of 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 to a lesser extent competitive group insurance coverage and perquisites. The various components of the Fund's executive compensation program and the reasons why the Fund chooses to pay each component is summarized below:

Short-Term Incentive Plan:

Component of Compensation	Summary and Purpose of Component
Base Salary	Salaries form an essential component of the Fund's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits.
Annual Performance-Based Cash Incentives	Annual cash incentives are a variable component of compensation designed to reward the Fund's executive officers for maximizing annual operating performance and improving profitability.
Other Compensation (Perquisites)	Competitive group insurance coverage and perquisites are provided to executive officers to remain competitive relative to peer groups.

Long-Term Incentive Plan:

Component of Compensation	Summary and Purpose of Component
Options	The granting of options is a variable component of compensation intended to reward the Fund's executive officers for its success in achieving sustained, long-term profitability.

Base Salary:

In determining base salary of an executive officer, the Compensation Committee takes into account the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by comparable businesses;
- (c) the experience level of the executive officer; and
- (d) his or her overall performance.

Base salaries of the executive officers, approximate the median salary ranges of comparable entities.

Annual Performance-based Bonus Payments:

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 portion of total compensation. Executive officers are eligible for ordinary bonuses and supplemental bonuses, as the case may be, payable in cash or through option-based compensation after taking into account financial performance, attainment of certain corporate objects, individual performance and extraordinary corporate events. Bonus payments are awarded to executives, after taking into account corporate performance and

individual performance, including the level of cash distributions paid by the Fund throughout the year. In taking into account financial performance, it is recognized that executive officers cannot control certain factors (e.g. interest rates). When applying the financial performance criteria, the Compensation Committee considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Fund.

The Compensation Committee met to establish criteria in order to be able to consider and evaluate the allocation of ordinary course bonuses payable in cash to executive officers in recognition of the attainment of corporate objective and individual performance, which criteria is set forth below. All awards are at the discretion of the Compensation Committee.

Bonuses for the financial year ended December 31, 2008, were determined and awarded in February 2009.

<u>Name of Officer</u>	<u>Title of Officer</u>	<u>Bonus Amounts (\$)</u>
Stanley G. Dunford	Chief Executive Officer	644,563
Gregory W. Rumble	President and Chief Operating Officer	475,000
James S. Clark	Vice President Finance and Chief Financial Officer	145,000
David W. Golton	Vice President Tank Operations	170,000
Scott B. Talbot	Vice President Bulk Operations	230,000

Pursuant to the terms of their respective employment agreements, the annual bonus amounts to which each of Messrs. Dunford and Rumble are entitled are equal to 125% of annual base salary, payable prior to March 31 of each year for the prior year, provided that the Fund has paid for that prior year trust unit distributions of not less than \$1.25 per unit (less taxes payable on a per unit basis). In addition, each of Messrs. Dunford and Rumble participate in a long-term executive management bonus and profit sharing plan for Contrans in place from time to time, pursuant to which each is entitled to receive annual bonus payments, subject to the terms of such plan, in addition to any other bonus payable to him. Further, each may receive discretionary bonuses as approved by the Compensation Committee from time to time, based on extraordinary performance as may be determined by the Compensation Committee.

Other Compensation:

Long-Term Incentives

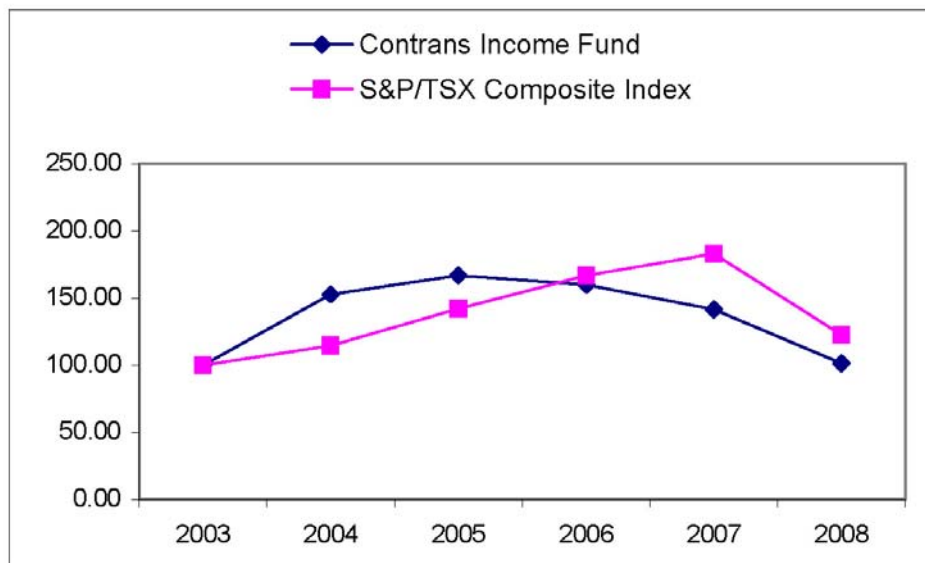
The Board decided that it is desirable to have an option incentive plan in place to attract, retain and motivate employees, directors, officers and consultants of the Fund. In determining the granting of long-term incentives to the named executive officers of the Fund, the Compensation Committee gives consideration to, among other things, the individual's current and potential contribution to the success of the Company as well as the relative position of the individual within the Company.

On an annual basis, the Compensation Committee, upon recommendations from the Chief Executive Officer and President, determine if the granting of options to executive officers is appropriate. The Compensation Committee would take into account previous grants when considering new grants. The Compensation Committee would review and approve all new grants for recommendation to the Board. It was determined that no new grants of options would be made for 2008.

The components of the Chief Executive Officer's compensation are the same as those which apply to the other senior executive officers of the Fund, namely base salary, bonus and long-term incentives in the form of options and certain perquisites. The Chairman of the Compensation Committee presents recommendations to the Board of Directors of Contrans with respect to the Chief Executive Officer's compensation. In setting the Chief Executive Officer's salary and bonus, the Compensation Committee reviews salaries and bonuses paid to other senior officers of the Fund, salaries and bonuses paid to other chief executive officers in the industry and the Chief Executive Officer's impact on the achievement of the Fund's objectives for the previous financial year, including the amount of distributions paid throughout the year. See "Termination and Change of Control Benefits" for further information regarding the Chief Executive Officer's employment terms.

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 December 31, 2003, and on December 31, 2004, 2005, 2006, 2007 and 2008 against the cumulative total shareholder return of the S&P/TSX Composite Index for the equivalent periods, assuming the reinvestment of all distributions.



	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Contrans Income Fund	100.00	152.71	166.79	159.89	141.48	101.47
S&P/TSX Composite Index	100.00	114.48	142.10	166.63	183.01	122.61

Contrans focuses on maintaining profitability of its operations. The Fund's positive performance is reflective of its management team's commitment to maintaining and improving profitability. This becomes more challenging in difficult economic times and a changing business environment. Despite the slight downward trend shown in the performance graph for the years 2006 through 2008, it has been the Fund's philosophy to continue to pay compensation to its executive officers at competitive levels in order to retain and motivate those executives who are critical to the long-term success of the Fund.

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, Chief Financial Officer, and the Fund's three, or less as the case may be, most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer, whose total compensation exceeds \$150,000. 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 following table provides information for the financial year ended December 31, 2008 regarding compensation paid to or earned by the Chief Executive Officer of Contrans, the Chief Financial Officer of Contrans and the other most highly compensated executive officers of Contrans, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation exceeded \$150,000 as at December 31, 2008 (the "Named Executive Officers").

Name and Principal Position	Year	Salary (\$)	Share Awards (\$)	Option Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension value	All Other Compensation ⁽³⁾	Total Compensation
					Annual incentive plans ^{(1) (2)} (\$)	Long-term incentive plans			
Stanley G. Dunford Chief Executive Officer of Contrans	2008	513,555	Nil	Nil	720,024 ⁽²⁾	Nil	Nil	11,774	1,245,353
Gregory W. Rumble President and Chief Operating Officer of Contrans	2008	365,509	Nil	Nil	518,958 ⁽²⁾	Nil	Nil	10,641	895,108
James S. Clark Vice President, Finance and Chief Financial Officer of Contrans	2008	163,750	Nil	Nil	145,000	Nil	Nil	1,038	309,788
David W. Golton Vice President Tank Operations of Contrans	2008	168,300	Nil	Nil	170,000	Nil	Nil	1,038	339,338
Scott B. Talbot Vice President Bulk Operations of Contrans	2008	168,300	Nil	Nil	230,000	Nil	Nil	1,038	399,338

Notes:

- (1) Amounts in this column represent annual bonus amounts earned and payable for 2008 for each Named Executive Officer. Amounts are paid prior to March 31st of the year following the year amounts earned.
- (2) Includes annual payment amounts to Mr. Dunford in the amount of \$75,461 and to Mr. Rumble in the amount of \$43,958, representing 15% of each executive's respective base salary listed under the column heading "Salary" as senior executive benefit payments under the terms of each executive's employment agreement. See "Termination and Change of Control Benefits" and elsewhere in this management information circular for further details regarding the respective employment agreements of Messrs. Dunford and Rumble.
- (3) Includes contributions to the cost of term life insurance, and for Messrs. Dunford and Rumble disability insurance premiums.

Under the terms of each of the employment agreements of Messrs. Dunford and Rumble, Contrans shall make annual adjustments to each executive's annual base salary based on the increase in the Ontario Consumer Price Index. Under the terms of their respective employment agreements, the amount of annual base salary noted in the Summary Executive Compensation Table above payable to each of Messrs. Dunford and Rumble for 2008 shall be the amount payable for the period from March 1, 2008 through February 28, 2013 after which time such annual base salary may be renegotiated, subject to the terms of the employment agreements. Each of Messrs. Dunford and Rumble are also entitled to an annual bonus amount equal to 125% of his annual base salary, payable prior to March 31 of each year for the prior year, provided that the Fund has paid for that prior year trust unit distributions of not less than \$1.25 per unit (less taxes payable on a per unit basis). Each of Messrs. Dunford and Rumble is also entitled to receive compensation that includes participation in the long-term executive management bonus and profit sharing plan for Contrans to be calculated and paid annually as approved by the Compensation Committee of the Board of Trustees of the Fund and executive benefits being an annual cash payment equal to 15% of base salary and health and related employee benefits otherwise provided in connection with such executive's position. In addition, each is entitled to short-term and long-term disability insurance coverage.

Incentive Plan Awards

The following table provides information regarding awards under the Fund's unit Option Plan outstanding for each Named Executive Officer as at December 31, 2008. The Fund does not grant any share-based awards.

Outstanding Option Based Awards

Name	Option Awards ⁽¹⁾			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Stanley G. Dunford	120,000	11.50	March 24, 2014	Nil
	150,000	13.01	March 8, 2016	Nil
Gregory W. Rumble	200,000	11.50	March 24, 2014	Nil
	150,000	13.01	March 8, 2016	Nil
James S. Clark	40,000	11.50	March 24, 2014	Nil
	50,000	13.01	March 8, 2016	Nil
David W. Golton	80,870	11.50	March 24, 2014	Nil
	50,000	13.01	March 8, 2016	Nil
Scott B. Talbot	100,000	11.50	March 24, 2014	Nil
	50,000	13.01	March 8, 2016	Nil

Notes:

- (1) Each of Messrs. Dunford and Rumble are entitled to participate in the unit Option Plan of the Fund under the terms of his employment agreement, which agreement defers to the terms of the Option Plan for the treatment of such unit options.
- (2) Calculated using the closing price of the subordinate voting trust units on the Toronto Stock Exchange on December 31, 2008 of Cdn\$5.85 less the exercise price of in-the-money options. There were no in-the-money options as at December 31, 2008. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Trust Units on the date of exercise.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended December 31, 2008.

Value Vested or Earned under Incentive Plans during the 2008

Name	Option awards – Value during the year on vesting (\$) ⁽¹⁾	Non-equity incentive plan compensation – Pay-out during the year (\$)
Stanley G. Dunford	Nil	644,563
Gregory W. Rumble	Nil	475,000
James S. Clark	Nil	145,000
David W. Golton	Nil	170,000
Scott B. Talbot	Nil	230,000

Notes:

- (1) All option-based awards of the Fund vest as to 20% immediately upon grant and as to 20% each year becoming fully vested in fifth year following the grant date. All outstanding options were out-of-the-money on vesting during the financial year ended December 31, 2008.

Pension Plan Benefits

There are no pension plan benefits in place for the Named Executive Officers of the Fund.

Termination and Change of Control Benefits

Contrans Services LP, by its General Partner, Contrans Services GP Inc. (referred to in this section as "Contrans") has entered into employment agreements with two of the Named Executive Officers of the Fund, namely Messrs. Dunford and Rumble, in connection with each of their respective services as executive officers of the Fund, which provide for payments to each Named Executive Officer in connection with termination, retirement, or change of control of the Fund, as described below. No other Named Executive Officer is entitled to termination or change of control benefits in connection with his employment as an executive officer of the Fund.

Stanley G. Dunford, Chief Executive Officer

Termination Without Cause

Pursuant to the terms of Mr. Dunford's employment agreement, Mr. Dunford is entitled to receive a lump sum payment in the event that his employment is terminated by Contrans without just cause in an amount equal to: (i) 36 months of Mr. Dunford's then current annual base salary; (ii) 36 months of Mr. Dunford's annual bonus (calculated based on the average bonus earned by Mr. Dunford in the two preceding complete fiscal years); (iii) 36 months of Mr. Dunford's Executive Benefits; (iv) 45% of Mr. Dunford's then current annual base salary in lieu of further executive benefits; (v) 24 weeks of Mr. Dunford's then current annual base salary in lieu of vacation pay (entitled to 8 weeks paid vacation per year); (vi) 36 months of continued coverage under Mr. Dunford's short-term and long-term disability coverage; and (vii) Mr. Dunford will have the opportunity to purchase his company-owned automobile at net book value or if the vehicle is leased by Contrans, he will be allowed continued use of the vehicle for the lesser of the remaining lease or three years. In the event Mr. Dunford is not paid within two weeks of termination, interest shall accrue and be payable on the 36 months' remuneration at the Royal Bank of Canada prime lending rate plus two basis points compounded daily. For clarity, in addition to the foregoing 36 month's remuneration, Contrans shall pay to Mr. Dunford for the year of termination any earned and not yet paid annual base salary (pro rated to the date of termination) plus reimbursement for any accumulated automobile expense, accrued vacation pay and authorized business expenses not yet paid by Contrans and his annual bonus calculated for the stub period from the date of last calculation to the date of termination on the basis of the annual bonus paid for the prior year pro rated for such period on a daily basis. Mr. Dunford shall also be entitled to such payments described above in the event Contrans terminates Mr. Dunford's employment due to his inability to perform his fundamental duties as a result of physical or mental disability for a period of the longer of: (i) greater than 6 consecutive months and (ii) such longer period as is required for Mr. Dunford to qualify for long-term disability benefits and the issuance of units under the unit Option Plan.

Termination on a Change of Control

In the event Mr. Dunford elects to terminate his employment agreement as a result of a change of control, Contrans shall pay Mr. Dunford remuneration in accordance with the payments set forth above under "Termination Without Cause". Under Mr. Dunford's employment agreement, a "change of control" is deemed to have occurred if, either (i) at any time any person, entity or group of persons or entities acting jointly or in concert, who is not at such date the holder of 20% or more of the total issued and outstanding voting rights issued by the Fund, acquires direct or indirect beneficial ownership, control or direction (including, without limitation, the power to vote) over more than 20% of the issued and outstanding voting rights issued by the Fund; or (ii) at any time after Mr. Dunford ceases to hold voting rights in the Fund (comprised of any combination of subordinate voting trust units and special voting rights as defined in the Declaration of Trust of the Fund) having not less than 33% of all voting rights issued by the Fund.

In the event of (i) above, Mr. Dunford is entitled to invoke this termination clause at any time commencing on the date of the first anniversary following the change of control for a period of 24 months after the change of control. In the event of (ii) above, Mr. Dunford is entitled to invoke this termination clause at any time commencing on the date of the change of control for a period of 24 months thereafter.

Termination by Involuntary Reduction in Remuneration

Any reduction in the overall remuneration or the general method of calculating the remuneration without the agreement of Mr. Dunford will result in a termination of Mr. Dunford's employment contract and Contrans shall pay to Mr. Dunford the amount described above under "Termination Without Cause".

Voluntary Resignation

Should Mr. Dunford terminate his employment agreement upon voluntary resignation in accordance with the terms of his employment agreement, he is eligible to only those amounts owing to him as of the date of his resignation, including any accrued and unpaid vacation pay.

Treatment of Unit Options

The treatment of any unit options held by Mr. Dunford on termination of his employment for any reason shall be in accordance with the terms of the Option Plan, as described under "Compensation Discussion and Analysis". The Trustees may determine at any time that all or any portion of an unvested option shall vest automatically or pursuant to a vesting schedule determined by the Trustees. However, in the event of a change of control (as defined in the Option Plan) all outstanding options shall become immediately exercisable notwithstanding any determination by the Trustees of the Fund.

Non-Competition Condition

Mr. Dunford's employment agreement contains a condition that he shall not, without the prior consent of the Board of Trustees of the Fund, at any time while employed by Contrans or an affiliate thereof, and for a period of 6 months following the date of termination of his employment agreement, for whatever reason, either individually or in partnership or jointly or in conjunction with any person as principal, agent, employee, shareholder or in any other manner whatsoever carry on or lend money to, guarantee the debts or obligations of, any person engaged in or concerned with or interested in a business directly competing with the business carried on by Contrans, at that time, within Canada, except: (A) where the opportunity to so participate has first been offered, in writing, to Contrans and the Board of Trustees of the Fund has failed to accept within 2 weeks, and carry through within the timeframe contemplated in the notice for commencement of the business or making of the investment; or (B) Mr. Dunford will not have an active management role in the business and the investment is for an amount of less than \$5,000,000.

Non-Disclosure Condition

Mr. Dunford's employment agreement also contains a condition that he shall not (either during the continuance of his employment or at any time thereafter) disclose any information relating to the private and confidential affairs of Contrans or relating to any secrets of Contrans to any person other than for Contrans' purposes and shall not use for his own purposes or for any other than Contrans' purposes any such confidential information.

Gregory W. Rumble, President and Chief Operating Officer

Termination Without Cause

Pursuant to the terms of Mr. Rumble's employment agreement, Mr. Rumble is entitled to receive a lump sum payment in the event that his employment is terminated by Contrans without just cause in an amount equal to: (i) 24 months of Mr. Rumble's then current annual base salary; (ii) 24 months of Mr. Rumble's annual bonus (calculated based on the average bonus earned by Mr. Rumble in the two preceding complete fiscal years); (iii) 24 months of Mr. Rumble's Executive Benefits; (iv) 30% of Mr. Rumble's then current annual base salary in lieu of further executive benefits; (v) 16 weeks of Mr. Rumble's then current annual base salary in lieu of vacation pay (entitled to 8 weeks paid vacation per year); (vi) 24 months of continued coverage under Mr. Rumble's short-term and long-term disability coverage; and (vii) with respect to automobile payments, an amount equivalent to the monthly allowance and expense

reimbursements made to Mr. Rumble in the 2 complete preceding fiscal years. In the event Mr. Rumble is not paid within two weeks of termination, interest shall accrue and be payable on the 24 months' remuneration at the Royal Bank of Canada prime lending rate plus two basis points compounded daily. For clarity, in addition to the foregoing 24 month's remuneration, Contrans shall pay to Mr. Rumble for the year of termination any earned and not yet paid annual base salary (pro rated to the date of termination) plus reimbursement for any accumulated automobile expense, accrued vacation pay and authorized business expenses not yet paid by Contrans and his annual bonus calculated for the stub period from the date of last calculation to the date of termination on the basis of the annual bonus paid for the prior year pro rated for such period on a daily basis. Mr. Rumble shall also be entitled to such payments described above in the event Contrans terminates Mr. Rumble's employment due to his inability to perform his fundamental duties as a result of physical or mental disability for a period of the longer of: (i) greater than 6 consecutive months and (ii) such longer period as is required for Mr. Rumble to qualify for long-term disability benefits and the issuance of units under the unit Option Plan.

Termination on a Change of Control

In the event Mr. Rumble elects to terminate his employment agreement as a result of a change of control, Contrans shall pay Mr. Rumble remuneration in accordance with the payments set forth above under "Termination Without Cause". Under Mr. Rumble's employment agreement, a "change of control" is deemed to have occurred if, either: (i) Mr. Dunford is no longer holding the office of Chief Executive Officer and Chairman of Contrans and/or the Fund; or (ii) if at any time any person, entity or group of persons or entities acting jointly or in concert, who is not at such date the holder of 20% or more of the total issued and outstanding voting rights issued by the Fund, acquires direct or indirect beneficial ownership, control or direction (including, without limitation, the power to vote) over more than 20% of the issued and outstanding voting rights issued by the Fund or at any time after Mr. Dunford ceases to hold voting rights in the Fund (comprised of any combination of subordinate voting trust units and special voting rights as defined in the Declaration of Trust of the Fund) having not less than 33% of all voting rights issued by the Fund.

In the event of (i) above, Mr. Rumble is entitled to invoke this termination clause at any time commencing on the date of the first anniversary following the change of control for a period of 24 months after the change of control. In the event of (ii) above, Mr. Rumble is entitled to invoke this termination clause at any time commencing on the date of the change of control for a period of 24 months thereafter.

Termination by Involuntary Reduction in Remuneration

Any reduction in the overall remuneration or the general method of calculating the remuneration without the agreement of Mr. Rumble will result in a termination of Mr. Rumble's employment contract and Contrans shall pay to Mr. Rumble the amount described above under "Termination Without Cause".

Voluntary Resignation

Should Mr. Rumble terminate his employment agreement upon voluntary resignation in accordance with the terms of his employment agreement, he is eligible to only those amounts owing to him as of the date of his resignation, including any accrued and unpaid vacation pay.

Treatment of Unit Options

The treatment of any unit options held by Mr. Rumble on termination of his employment for any reason shall be in accordance with the terms of the Option Plan, as described under "Compensation Discussion and Analysis". The Trustees may determine at any time that all or any portion of an unvested option shall vest automatically or pursuant to a vesting schedule determined by the Trustees. However, in the event of a change of control (as defined in the Option Plan) all outstanding options shall become immediately exercisable notwithstanding any determination by the Trustees of the Fund.

Non-Competition Condition

Mr. Rumble's employment agreement contains a condition that he shall not, without the prior consent of the Board of Trustees of the Fund, at any time while employed by Contrans or an affiliate thereof, and for a period of 6 months following the date of termination of his employment agreement, for whatever reason, either individually or in partnership or jointly or in conjunction with any person as principal, agent, employee, shareholder or in any other manner whatsoever carry on or lend money to, guarantee the debts or obligations of, any person engaged in or concerned with or interested in a business directly competing with the business carried on by Contrans, at that time, within Canada, except: (A) where the opportunity to so participate has first been offered, in writing, to Contrans and the Board of Trustees of the Fund has failed to accept within 2 weeks, and carry through within the timeframe contemplated in the notice for commencement of the business or making of the investment; or (B) Mr. Rumble will not have an active management role in the business and the investment is for an amount of less than \$5,000,000.

Non-Disclosure Condition

Mr. Rumble's employment agreement also contains a condition that he shall not (either during the continuance of his employment or at any time thereafter) disclose any information relating to the private and confidential affairs of Contrans or relating to any secrets of Contrans or its affiliates to any person other than for Contrans' purposes and shall not use for his own purposes or for any other than Contrans' purposes any such confidential information.

Estimated Incremental Payment on Change of Control or Termination

The estimated incremental payments from Contrans to each of Messrs. Dunford and Rumble on termination without cause, termination on a change of control and termination by involuntary reduction in remuneration, assuming the Triggering Event occurred on December 31, 2008, are as follows:

	Stanley G. Dunford	Gregory W. Rumble
Lump Sum Payment	\$ 4,385,672	\$ 2,071,366
Continuation of Benefits	\$ 340,130	\$ 117,830

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 the Operating Trust or Directors of Contrans. For the year ended December 31, 2008, compensation for Trustees and for Directors was \$25,000 per year plus an additional \$5,000 per year for the chair of the audit committee and \$3,000 per year for each chair of any other committee. For the year ended December 31, 2008, all Trustees and Directors, as applicable, were paid \$2,000 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.

Messrs. Dunford and Rumble, who are Named Executive Officers, are not compensated in their respective capacities as Trustees of the Fund. All compensation paid to Messrs. Dunford and Rumble relates to their respective capacities as executive officers of the Fund. See "Summary Executive Compensation Table" for details concerning compensation paid to Messrs. Dunford and Rumble.

None of the Directors or Trustees were compensated in their capacity as Director or Trustee by the Fund or any of its subsidiaries, as applicable during the financial year ended December 31, 2008 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

The following table provides information regarding compensation paid or earned by the Directors or Trustees during the financial year ended December 31, 2008.

Name	Fees earned (\$)	Share awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
G. Ross Amos	55,000	Nil	Nil	Nil	Nil	218 ⁽²⁾	55,218
Robert B. Burgess	57,500	Nil	Nil	Nil	Nil	Nil	57,500
Archie M. Leach	62,500	Nil	Nil	Nil	Nil	Nil	62,500
P. Anthony Ennis ⁽¹⁾	39,000	Nil	Nil	Nil	Nil	Nil	39,000

Notes:

- (1) Anthony Ennis is not a Trustee of the Fund and is the only individual who is compensated in his capacity as a Director of Contrans.
- (2) Mr. Amos was paid this amount for reimbursement of travel expenses incurred during 2008 in connection with his role services as a Trustee.

Incentive Plan Awards

The following table provides information regarding the Option Plan awards outstanding for each Director or Trustee, as applicable, as at December 31, 2008. There are no share-based awards granted to the Directors or Trustees.

Outstanding Option Based Awards

Name	Option Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (\$)	Value of unexercised in-the-money options (\$) ⁽¹⁾
G. Ross Amos	50,000 10,000	11.50 13.01	March 24, 2014 March 8, 2016	Nil Nil
Robert B. Burgess	50,000 10,000	11.50 13.01	March 24, 2014 March 8, 2016	Nil Nil
Archie M. Leach	50,000 10,000	11.50 13.01	March 24, 2014 March 8, 2016	Nil Nil
P. Anthony Ennis	50,000 10,000	11.50 13.01	March 24, 2014 March 8, 2016	Nil Nil

Notes:

- (1) Calculated using the closing price of the subordinate voting trust units on the Toronto Stock Exchange on December 31, 2008 of Cdn\$5.85 less the exercise price of in-the-money options. There were no options in-the-money as at December 31, 2008. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Trust Units on the date of exercise.

The following table provides information regarding value vested or earned during 2008 on Option Plan awards outstanding as at December 31, 2008 for each Director or Trustee, as applicable. There are no share-based awards granted, nor is there any non-equity incentive plan compensation paid, to Directors or Trustees.

Value Vested or Earned during the Year

Name	Option awards – Value during the year on vesting (\$) ⁽¹⁾
G. Ross Amos	Nil
Robert B. Burgess	Nil
Archie M. Leach	Nil
P. Anthony Ennis	Nil

Notes:

(1) There were no options held by Directors or Trustees that were in-the-money on vesting during 2008.

Indebtedness of Trustees, Directors, Executive Officers and Employees

As at February 28, 2009, no current or former Trustee, Director or executive officer or employee of the Fund or any of its subsidiaries, as applicable, nor any associate of such person is or has been during the financial year ended December 31, 2008, indebted to the Fund or any of its subsidiaries in connection with a purchase of securities or otherwise, nor has the indebtedness of any of them to another entity been the subject of a 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 \$50 million and contains a deductible clause of \$100,000, excluding securities claim coverage, where the deductible is \$200,000. The deductibles are payable by Contrans. During the policy period of April 1, 2008 to May 31, 2009, Contrans has paid a premium of \$340,926 for this insurance.

Interests of Informed Persons in Material Transactions

Except as set out below, no informed person 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 or any proposed 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.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance

National Policy 58-201 Corporate Governance Guidelines ("NI 58-201") sets out best practices guidelines for effective corporate governance, which address matters such as 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 as set

out in National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) which provides for specific disclosure on corporate governance practices that must be disclosed in the Fund’s management information circular.

This discussion statement has been prepared by the Corporate Governance and Nominating Committee and has been approved by the Board.

The Board of Trustees

A majority of the members of the Board are independent within the meaning of NI 58-201. Neither Mr. Dunford nor Mr. Rumble are independent as they are also officers of the Fund. Additionally, Mr. Dunford is a significant unitholder. Mr. Dunford is the Chairman of the Board and the Board has not appointed a lead Director. The independent Trustees hold in-camera sessions without management present as required during Committee meetings. In addition, as each of the committees of the Board is comprised of all independent Trustees, the independent Trustees meet regularly exclusive of management. Given the small size of the Board and the ability of independent Trustees to discuss matters relating to Contrans independent of management Trustees, the Board believes that sufficient independent leadership exists amongst the independent Trustees.

The independent Trustees do not hold regularly scheduled meetings at which non-independent Trustees and members of management are not present, however, as noted above, they regularly hold in-camera sessions to review the business operations, corporate governance and financial results of the Fund and they meet regularly at committee meetings independent of management. The Board believes that such in-camera sessions and committee meetings facilitate open and candid discussion among its independent Trustees.

The following table sets forth a summary of each Trustee’s attendance at board and committee meetings since the beginning the Fund’s financial year ended December 31, 2008.

Name	Board		Audit Committee		Compensation Committee		Corporate Governance Committee	
	13 meetings Number	%	4 meetings Number	%	1 meeting Number	%	3 meetings Number	%
Stanley G. Dunford	11	85%	n/a	n/a	n/a	n/a	n/a	n/a
Gregory W. Rumble	13	100%	n/a	n/a	n/a	n/a	n/a	n/a
G. Ross Amos	13	100%	4	100%	1	100%	3	100%
Robert B. Burgess	12	95%	4	100%	1	100%	3	100%
Archie M. Leach	12	95%	4	100%	1	100%	3	100%

Each of the Trustees of the Fund, other than Mr. Amos, is also a member of the Board of Directors of Contrans. Mr. Amos is also a member of the Board of Directors of Drive Products Income Fund. Mr. Anthony Ennis is a member of the Board of Directors of Contrans. Mr. Ennis has a long history in, and significant knowledge of, the freight transportation industry. Mr. Ennis has assisted Contrans with previous acquisitions and presents opportunities to Contrans, from time to time, in the freight transportation industry. Where appropriate, Mr. Ennis attends meetings of the Board of Trustees of the Fund as an invited guest.

Board Mandate

The Board is responsible for fostering the short and long-term success of the Fund and is accountable to Unitholders. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

A copy of the Board charter, setting out its mandate, responsibilities and the duties of its members is attached as Schedule "A" to this management information circular.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board and the chair of each Board committee.

The roles and responsibilities of the Chief Executive Officer are set out in the Dunford Employment Agreement which is reviewed and approved by the Compensation Committee. See "Employment Agreements - Dunford Employment Agreement".

New Trustee Orientation and Continuing Education

The Corporate Governance and Nominating Committee, is responsible for ensuring that new Trustees are provided with an orientation and education program which will include written information about the duties and obligations of Trustees, the business and operations of Contrans, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other Trustees.

The Board recognizes the importance of ongoing Trustee education and the need for each Trustee to take personal responsibility for this process. To facilitate ongoing education of the Fund's Trustees, the Corporate Governance and Nominating Committee: (a) periodically canvases the Trustees to determine their training and education needs and interests; (b) arranges ongoing visitation by Trustees to Contrans' facilities and operations; and (c) arranges for presentations by Vice Presidents and General Managers of Contrans with respect to specific business operations.

Code of Business Conduct and Ethics

The Board has not adopted a formal Code of Business Conduct and Ethics for its trustees, directors, officers and employees.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to trustees, directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Nomination of Trustees

The Corporate Governance and Nominating Committee, which is composed entirely of independent Trustees, is responsible for identifying and recruiting new candidates for nomination to the Board. The process by which the Board would identify new candidates is through recommendations of the Corporate Governance and Nominating Committee taking into account the following considerations: (a) the competencies and skills the Board, as a whole, should possess; (b) the competencies and skills that each existing Trustee possesses; (c) the competencies and skills each new nominee will bring to the Board; and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

The Corporate Governance and Nominating Committee's responsibilities include periodically reviewing the charters of the Board and the committees of the Board; assisting the Chairman of the Board in carrying out his responsibilities; considering and, if thought fit, approving requests from Trustees for the engagement of independent counsel in appropriate circumstances; preparing and recommending to the Board a set of corporate governance guidelines, and annually a "Statement of Corporate Governance Practices" to be included in the Fund's management information circular; annually reviewing the Board's relationship with management to ensure the Board is able to, and in fact does, function independently of management; assisting the Board by identifying individuals qualified to become Board members and

members of Board committees; and assisting the Board in monitoring compliance by the Fund with legal and regulatory requirements.

Compensation

The Compensation Committee, which is composed entirely of independent Trustees, among other things, determines appropriate compensation for the officers and employees of Contrans. The Compensation Committee is comprised of three Trustees, Archie M. Leach (Chairman), Robert B. Burgess and G. Ross Amos. The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on Contrans' overall compensation and benefits philosophies.

The Compensation Committee's responsibilities include reviewing and making recommendations to the Trustees regarding any equity or other compensation plan and regarding the total compensation package of the Chief Executive Officer, considering and approving the recommendations of the Chief Executive Officer regarding the total compensation packages for the other officers of Contrans, and assisting with the preparing and reviewing annually, prior to recommendation to the Board, the Statement of Executive Compensation included in the Fund's management information circular.

Audit Committee

Information regarding the Fund's Audit Committee is contained in the Fund's annual information form (the "AIF") dated March 12, 2009 under the heading "Audit Committee". The AIF is available on SEDAR at www.sedar.com.

Board Assessments

The current practice of the Board is for the Board to make ongoing, informal assessments of the performance of the Board, committees and individual Trustees.

Equity Compensation Plan Information

The following table provides details of the compensation plans under which equity securities of the Fund were authorized for issuance as of December 31, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans⁽²⁾
Equity compensation plans approved by security holders	2,018,870	\$12.22	463,465
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	2,018,870	\$12.22	463,465

Notes:

- (1) Represents number of subordinate voting trust units reserved for issuance upon the exercise of options.
- (2) Based on a maximum number of subordinate voting trust units reserved for issuance pursuant to options granted under the Option Plan of 2,762,165, after deducting 279,830 options that have been exercised under the Option Plan since inception and adding back all expired options, as applicable.

Unit Option Plan:

Option grants are an important element of the Fund's compensation policy and enable the Fund to attract and retain talented people in a competitive global environment. If the Fund 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.

The eligible participants under the Option Plan include employees, directors, officers, trustees and consultants of the Fund and its affiliated entities. Options are personal to each eligible participant and are not assignable. The Option Plan provides that (i) the aggregate number of subordinate voting trust units reserved for issuance pursuant to options granted to insiders under the Option Plan or any other security based compensation arrangements 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 under the Option Plan or any other security based compensation arrangements, 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.

The maximum number of subordinate voting trust units reserved for issuance pursuant to options granted under the Option Plan is 2,762,165, which represents 9.3% of the Fund's current issued and outstanding capital. As at December 31, 2008, an aggregate of 2,018,870 options had been granted (net of cancellations and 279,830 options that had been previously exercised) to eligible participants under the Option Plan, representing 6.8% of the Fund's current issued and outstanding capital. In aggregate, 279,830 subordinate voting trust units have been issued pursuant to exercises of options granted under the Option Plan.

The exercise price for options granted pursuant to the Option Plan is determined by the Trustees at the time each option is granted, provided that such price shall not be less than the closing price of the subordinate voting trust units on the Toronto Stock Exchange (the "TSX") on the last business day immediately preceding the date of grant of such option, or, if no trading occurred on that date, not less than the weighted average of the bid and ask prices on the five consecutive trading days preceding the date of grant. Options must be exercised no later than 10 years after the date of grant or such lesser periods as the applicable grant or any regulations of the Trustees pursuant to the Option Plan may prescribe. The Trustees have the authority to determine when any option will become exercisable and may determine that the option will be exercisable in installments or pursuant to a vesting schedule. In the event of the termination or retirement of a participant under the Option Plan, each option shall cease to be exercisable within a period of 30 days after the termination date or retirement date, or such longer period as determined by the Trustees but which shall not in any event exceed the earlier of (i) the expiry date of such option; (ii) 12 months following the termination date or retirement date of a non-management trustee or director of the Fund or an affiliated entity; or (iii) 36 months following the termination date or retirement date of any other participant. In the event of the death of a participant, the legal representatives of the participant may exercise the options held by the participant within such period after the date of the participant's death as shall be determined by the Trustees, provided that no option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of the option and (ii) 12 months following the date of the death of the participant. The Trustees may determine at any time that all or any portion of an unvested option shall vest automatically or pursuant to a vesting schedule determined by the Trustees. However, in the event of a change of control (as defined in the Option Plan) all outstanding options shall automatically become exercisable regardless of any determination by the Trustees of the Fund. Contrans will not provide any optionee with financial assistance in order to enable such optionee to exercise options granted under the Option Plan.

The Option Plan provides that in the event that the expiry of an option falls within, or within two days, of a trading blackout imposed by the Fund, the expiry date of such option shall be automatically extended to the tenth business day following the end of the blackout period.

The Trustees may also, subject to unitholder and regulatory approval, make the following amendments to the Option Plan:

- (i) any amendment to the number of units issuable under the Option Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by unitholders will not require additional shareholder approval;
- (ii) any change to the definition of "Participants" which would have the potential of narrowing or broadening or increasing Insider participation;
- (iii) the addition of any form of financial assistance;
- (iv) any amendment to a financial assistance provision which is more favourable to Participants;
- (v) any addition of a cashless exercise feature, payable in cash or units which does not provide for a full deduction in the number of underlying units from the Option Plan;
- (vi) the addition of deferred or restricted share units or any other provision which results in Participants receiving units while no cash consideration is received by the Fund;
- (vii) any other amendments that may lead to significant or unreasonable dilution in the Fund's outstanding units or may provide additional benefits to Participants, especially to Insiders, at the expense of the Fund and its existing unitholders.

The Trustees may, subject to regulatory approval where required or any applicable unitholder approval required by law or regulation, in its sole discretion make all other amendments to the Option Plan that are not of the type contemplated in subparagraph (a) above, including, without limitation:

- (i) amendments of a housekeeping nature;
- (ii) the addition of or a change to vesting provisions of an option or the Option Plan;
- (iii) a change to the termination provisions of an option or the Option Plan which does not entail an extension beyond the original expiry date (subject to an extension resulting from options expiring during blackout periods); and
- (iv) the addition of a cashless exercise feature, payable in cash or units, which provides for a full deduction of the number of underlying units from the Option Plan reserve.

In the event of a proposed sale or conveyance of all or substantially all of the outstanding subordinate voting trust units of the Fund, the Fund may give written notice to all participants that their respective options may be exercised only within 30 days after the date of such notice, following which all rights of the participants shall terminate and shall not be reinstated unless the proposed sale or conveyance is not completed within 180 days after the date of the notice. In the event of certain events deemed to be a "change of control" of the Fund and/or any of its subsidiaries, all outstanding options shall become immediately exercisable, notwithstanding any prior determination by the Trustees to the contrary.

The Trustees may discontinue the Option Plan at any time provided however that no such right may, without the consent of the Participant, in any manner adversely affect his rights under any Option theretofore granted under the Option Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Trustees

The Declaration of Trust provides that there will be a minimum of three Trustees and a maximum of ten Trustees with the number of Trustees within that range being fixed by resolution of the Trustees. There are currently five Trustees of the Fund.

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, province and country of residence 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 number of units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them. The statement as to the number of units beneficially owned by the nominees for election as Trustees of the Fund is in each instance based upon information furnished by the person concerned and is at February 28, 2009. 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 Province of Residence	Position with the Fund	Principal Occupation	No. of units Beneficially Owned, Controlled or Directed ⁽¹⁾	Trustee Since
Stanley G. Dunford Ontario, Canada	Chairman of Trustees and Chief Executive Officer	Chairman of the Trustees and Chief Executive Officer of Contrans	5,256,374 ⁽²⁾	2002
Gregory W. Rumble Ontario, Canada	Trustee, President and Chief Operating Officer	President and Chief Operating Officer of Contrans	453,321	2002
Robert B. Burgess ^{(3) (4) (5)} Ontario, Canada	Trustee	Barrister and Solicitor	320,412	2002
Archie M. Leach ^{(3) (4) (5)} Ontario, Canada	Trustee	President and Chief Executive Officer of Carroll Hospital Group, a manufacturer of healthcare products	481,512	2002
G. Ross Amos ^{(3) (4) (5)} Ontario, Canada	Trustee	President of Everest Canadian Property Company, a real estate investment bank	4,715	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 of Voting Securities"
- (3) Member of the Audit Committee
- (4) Member of the Compensation Committee
- (5) Member of the Corporate Governance and Nominating Committee

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, province and country of residence 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 number of units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them. The statement as to the number of units beneficially owned by the nominees for election as Directors of Contrans is in each instance based upon information furnished by the person concerned and is at February 28, 2009. 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 Province of Residence	Principal Occupation	No. of units Beneficially Owned, Controlled or Directed ⁽¹⁾	Director Since
Stanley G. Dunford Ontario, Canada	Chairman of the Trustees and Chief Executive Officer of Contrans	5,256,374 ⁽²⁾	1988
Gregory W. Rumble Ontario, Canada	President and Chief Operating Officer of Contrans	453,321	1991
Robert B. Burgess ^{(3) (4) (5)} Ontario, Canada	Barrister and Solicitor	320,412	1984
Archie M. Leach ^{(3) (4) (5)} Ontario, Canada	President and Chief Executive Officer of Carroll Hospital Group, a manufacturer of healthcare products	481,512	1992
P. Anthony Ennis Ontario, Canada	President of Round Oak Management Ltd., which provides management consulting services	Nil	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 of Voting Securities"

Appointment of Auditors of the Fund

The auditors of the Fund are KPMG LLP, Chartered Accountants. 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 unitholders, at a remuneration to be fixed by the Trustees. KPMG LLP, Chartered Accountants, was first appointed as auditors on May 21, 2003.

Approval of Amendments to the Declaration of Trust

On March 12, 2009, the Trustees approved certain proposed amendments to the Declaration of Trust of the Fund pursuant to which distributions of distributable cash flow are to be distributed to the Unitholders. The Trustees determined that it is desirable in light of the current economic climate to amend distributions of the Fund's distributable cash from a monthly basis to a quarterly basis. Upon receipt of Unitholder approval for the proposed amendments, the Fund shall enter into a supplemental declaration of trust to give effect to such amendment. Other than as amended by the supplemental declaration of trust, the Declaration of Trust shall remain in full force and effect.

In addition, pursuant to the Declaration of Trust and the declaration of Trust of Contrans Operating Trust, Unitholders are indirectly being asked to approve the corresponding amendments that are required to be made to the declaration of Trust of Contrans Operating Trust by directing and instructing the Trustees of the Fund to authorize and approve such corresponding amendments under the terms of a supplemental declaration of trust of Contrans Operating Trust.

At the Meeting, Unitholders will be asked to consider and, if deemed appropriate, to pass, a resolution, in the form set out below, authorizing and approving the proposed amendments to the Declaration of Trust of the Fund pursuant to the terms of a supplemental declaration of trust and directing and instructing the Trustees of the Fund to authorize and approve corresponding amendments to the Declaration of Trust of Contrans Operating Trust. The Trustees and management of the Fund recommend the approval of the resolutions. To be effective, the resolution must be approved by not less than 66 2/3 of the votes cast by the Unitholders present in person, or represented by proxy, at the Meeting. Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote in favour of the proposed amendments, direct and instruct.

The text of the resolution to be submitted to Unitholders at the Meeting is set forth below:

"NOW THEREFORE BE IT RESOLVED THAT:

1. The proposed amendments to be made to the Declaration of Trust of the Fund, pursuant to the terms of a supplemental declaration of trust, as substantively set forth below, with any such amendments as any Trustee of the Fund may deem reasonable or necessary, be and are hereby authorized and approved:
 - (a) The Declaration of Trust will be amended at Section 1.1 Definitions (x) Distribution Payment Date by deleting the current definition in its entirety and replacing it with the following:

"(x) "Distribution Payment Date" means, in respect of a Distribution Record Date the 17th day of the second month following the relevant calendar quarter end or such other date or dates as may be selected or determined from time to time by the Trustees;"
 - (b) The Declaration of Trust will be amended at Section 1.1 Definitions at (y) Distribution Period by deleting the definition in its entirety and replacing it with the following:

"(y) "Distribution Period" means each calendar quarter or a pro-rated period if such relates to less than the calendar quarter or such other period as may be selected or determined by the Trustees from time to time;"
 - (c) The Declaration of Trust will be amended at Section 5.3 currently entitled Monthly Distributions of Distributable Cash Flow by deleting the same in its entirety and replacing it with the following:

"5.3 Distributions of Distributable Cash Flow.

The Trustees shall, as at 6:00 P.M. (Toronto time) on or prior to the 17th day of the month following each Distribution Period, declare payable to the holders of Trust Units of record as at 5:30 P.M. (Toronto time) on the Distribution Record Date for that Distribution Period (referred to as a "Distribution") an aggregate amount equal to the Distributable Cash Flow for the Distribution Period. The proportionate share of such

Distribution for each Trust Unit shall be determined by dividing the amount of such Distribution by the number of issued and outstanding Trust Units, on such Distribution Record Date. Each Unitholder's share of such Distribution shall be in an amount equal to the proportionate share of each Trust Unit of such Distribution multiplied by the number of Trust Units owned of record by such Unitholder on such Distribution Record Date. Subject to Section 5.8 a Distribution which has been declared to be payable to Unitholders in respect of a Distribution Period shall be paid in cash on the Distribution Payment Date which immediately follows such Distribution Record Date. The Trustees may, in their discretion, revise the Distribution Period between a calendar quarter and a month end distribution, as provided in the definitions of Distribution Period and Distribution Payment Date, as they shall determine, from time to time. Effective as at the date of this supplemental indenture the Distribution Period shall be a calendar quarter and the Distribution Payment Date shall be based upon a Distribution Period of a calendar quarter."

2. The Trustees of the Fund be and are hereby directed and instructed to authorize and approve all required corresponding amendments to the declaration of trust of Contrans Operating Trust pursuant to the terms of a supplemental declaration of trust; to the Declaration of Trust and the declaration of Trust of Contrans Operating Trust.
3. Any Trustee or officer of the Fund is hereby authorized and directed, acting for, in the name of and on behalf of the Fund, to execute or cause to be executed and to deliver or cause to be delivered, a supplemental trust indenture of the Fund and a supplemental trust indenture of Contrans Operating Trust, and such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Trustee or officer of the Fund be necessary or desirable to carry out the intent of the foregoing resolutions.

Additional Information

Additional information relating to the Fund can be found on SEDAR at www.sedar.com. Financial information is provided in the Fund's financial statements for the financial year ended December 31, 2008 and related management's discussion and analysis of financial results, which can be found in the Fund's annual report to unitholders, which accompanies this information circular and has also been filed on SEDAR. Unitholders may also contact the Secretary of Contrans Corp. by phone at 519-421-4600 or by e-mail at jmiller@contrans.ca to request copies of these documents.

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
March 12, 2009

SCHEDULE “A”

BOARD OF TRUSTEES MANDATE

Purpose

The Board of Trustees of Contrans Income Fund (the “Fund”) is ultimately responsible for the stewardship of the Fund and the operation of the business of the Fund. The Board of Trustees will discharge its responsibilities directly and through committees currently consisting of an Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee of the Fund. The Board of Trustees shall meet regularly to review the business operations, governance and financial results of the Fund.

Composition

The Board of Trustees shall be constituted at all times of a majority of individuals who, subject to any exemptions set out in Multilateral Instrument 52-110 Audit Committees (“MI 52-110”), will be independent. An “independent” trustee is a trustee who has no direct or indirect material relationship with the Fund. A “material relationship” is a relationship which could, in the view of the Board of Trustees of the Fund, be reasonably expected to interfere with the exercise of the trustee’s independent judgement or a relationship deemed to be a material relationship pursuant to MI 52-110.

The following are the primary responsibilities of the Chairman:

- Chairing all meetings of the Board of Trustees in a manner that promotes meaningful discussion.
- Providing leadership to the Board to enhance the Board’s effectiveness.
- Managing the Board, including:
 - ↳ Preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - ↳ Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - ↳ Ensuring meetings are appropriate in terms of frequency, length and content; and
 - ↳ Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board.

Responsibilities

The Board of Trustees’ responsibilities include, without limitation to its general mandate, the following specific responsibilities:

- The assignment to committees of The Board of Trustees of the Fund the general responsibility for developing the Fund’s approach to:
 - ↳ Financial reporting and internal controls;
 - ↳ Corporate governance and nomination issues; and
 - ↳ Issues relating to compensation of trustees, directors, officers and employees;
- With the assistance of the Audit Committee:
 - ↳ Recommending the appointment of auditors and assessing the independence of the auditors;
 - ↳ Ensuring the integrity of the Fund’s internal control and management information systems;
 - ↳ Identifying the principal risks of the Fund’s business and ensuring that appropriate systems are in place to manage these risks; and
- Approving interim and annual financial statements of the Fund.

- With the assistance of the Compensation Committee:
 - ↳ Approving the compensation of trustees, directors and senior management; and
 - ↳ Developing the corporate objectives that the Chief Executive Officer is responsible for meeting, and assessing the Chief Executive Officer against these objectives.
- With the assistance of the Corporate Governance and Nominating Committee:
 - ↳ Developing the Fund's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Fund; and
 - ↳ Ensuring that an appropriate selection process for new nominees to the Board of Trustees of the Fund is in place and developing the Fund's approach to nomination and review of trustees.
- Regularly assessing the effectiveness of the Board of Trustees of the Fund as a whole, the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee and the contribution of individual trustees and directors, including consideration of the appropriate size of the Board of Trustees of the Fund. Such assessments will take place on an informal basis taking into account the relatively small size of the Board, the composition of committees with independent Trustees and the Board's regular monthly meetings.
- Reviewing and considering appropriate orientation and education programs for new recruits to the Board of Trustees of the Fund.
- Succession planning and the appointment and monitoring performance of senior management.
- The adoption of a strategic planning process and the approval and review, on at least an annual basis, of a strategic plan that takes into account business opportunities and business risks.
- Considering what competencies and skills the Board, as a whole, should possess and what competencies and skills each existing director possesses.
- With the assistance of the Committees, reviewing and approving:
 - ↳ All documents required to be filed publicly, including the Fund's management information circular, annual information form, annual and interim financial statements and MD&A, annual report and press releases;
 - ↳ The content of the corporate web site;
 - ↳ Procedures for the timely disclosure of material information;
 - ↳ The insider trading policy of the Fund;
 - ↳ Procedures to ensure that shareholder enquiries are dealt with on a timely basis; and
 - ↳ Procedures to ensure that only authorized spokespersons are communicating on behalf of the Fund with analysts, the media and investors.
- Performing such other functions as prescribed by law or assigned to the Board of Trustees of the Fund in the declaration of trust governing the Fund.

Administrative Procedures

- The members of the Board of Trustees are expected to attend all meetings of Board of Trustees unless prior notification of absence is provided.
- The members of the Board of Trustees are required to have reviewed board materials in advance of the meeting and be prepared to discuss such materials at the meeting.
- A written agenda for each meeting shall be sent to each member in advance of the meeting. Detailed minutes of each meeting summarizing issues discussed and actions recommended shall be prepared by the Secretary. All minutes shall be approved by a majority of the members.
- The Board of Trustees shall provide contact information on the website of the Fund for an officer who will be responsible for receiving feedback from unitholders.