



CONTRANS GROUP INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2009

March 22, 2010

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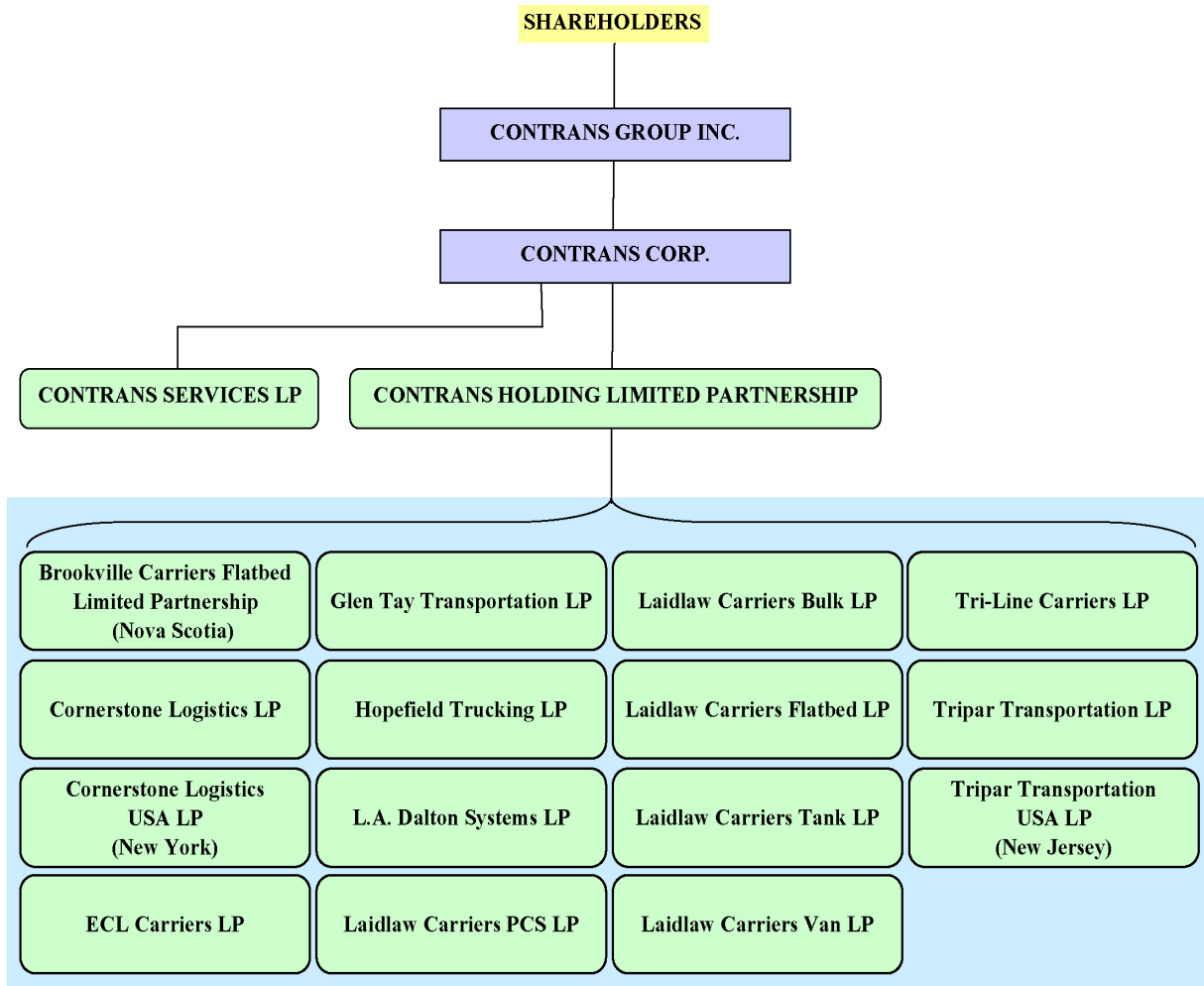
STRUCTURE OF THE CORPORATION

Organizational Structure

In this annual information form, the term “Corporation” means Contrans Group Inc., a corporate entity incorporated on October 15, 2009 pursuant to the Business Corporation Act (*Ontario*) and its subsidiaries. The registered head office of the Corporation is located at 1179 Ridgeway Road, Woodstock, Ontario, N4V 1E3.

The Corporation was established as part of a plan of arrangement that resulted in the conversion of Contrans Income Fund (the “Fund”) into the Corporation. The arrangement was approved by the Fund’s unitholders at the special Unitholders meeting held on October 23, 2009. On December 3, 2009, the subordinate voting shares (the “Subordinate Voting Shares”) of the Corporation commenced trading on the Toronto Stock Exchange (the “TSX”) under the symbol “CSS” and the subordinate voting units (“Subordinate Voting Units”) of the Fund (CSS.UN) were delisted from the TSX. Subordinate Voting Units and Class A Limited partnership units (“Class A LP Units”) were exchanged for Subordinate Voting Shares on a one-for-one basis. Class B limited partnership units (“Class B LP Units”) were exchanged for multiple voting shares (the “Multiple Voting Shares”) on a one-for-one basis. The use of “Contrans” hereafter is intended to be understood as a reference to the business carried on by the Fund and, after December 1, 2009, the Corporation.

Each subsidiary of the Corporation is wholly-owned and unless indicated otherwise incorporated or formed pursuant to the laws of the Province of Ontario:



* Each limited partnership has a general partner (omitted for simplicity, use the same name replacing "LP" with "GP Inc."). The general partners are corporations, wholly-owned subsidiaries of Contrans Corp. and have a 0.001% entitlement to income from their respective limited partnerships.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Contrans has been affected by poor economic conditions since late 2008. The credit crisis that precipitated the economic downturn, however, had a less pronounced impact on Contrans. Early in 2008, Contrans entered into an agreement to renew a \$31.8 million interest-only credit facility for an additional five year term. As a result, Contrans was not faced with a significant liquidity or refinancing risk when the credit crisis arose.

Contrans has completed the following acquisitions over the past three years:

Date	Name	Location	Service Area
March, 2007	Marco Transport Inc.	Quebec	Bulk
September, 2007	Narum Transport Ltd.	Alberta	Tank

Contrans has disposed of the following businesses over the past three years:

Date	Name	Location	Service Area
September, 2008	Plant Services operation	Ontario	Bulk
March, 2009	Veritrans	Ontario	Ancillary Service

During the 12-month period ended November 19, 2007, the Fund purchased a total of 410,600 of its Subordinate Voting Trust Units at an average price of \$9.38 per unit, pursuant to a normal course issuer bid made through the facilities of the TSX.

DESCRIPTION OF THE BUSINESS

Financial information provided in this annual information form for the fiscal year of Contrans is for the year ended December 31, 2009.

Business of Contrans

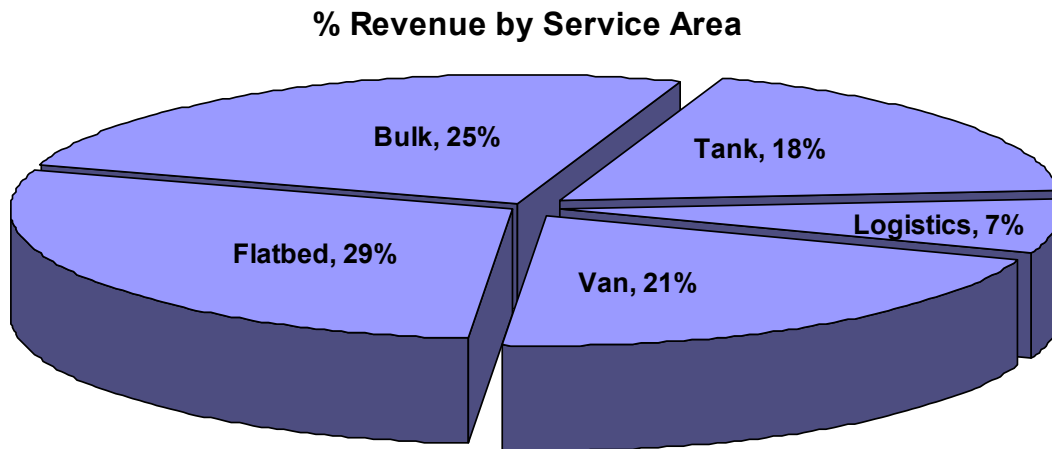
Overview

Since 1985, Contrans has been one of Canada's leading providers of freight transportation services to shippers located in Canada as well as in the eastern, mid-western and southern United States. Contrans' market focus is primarily in the full truckload segment where shippers have the exclusive use of a trailer that is generally filled to capacity by volume or weight.

Contrans satisfies diverse customer needs through a wide array of trailer types and services:

1. Vans — provide shipments in closed vans throughout Canada and the United States.
2. Flatbeds — provide shipments on open trailers primarily throughout Canada and the United States.
3. Tanks — provide shipments of liquid and dry bulk material in enclosed tank trailers primarily throughout Ontario, Québec, Alberta and the northeast area of the United States.
4. Bulk — provides shipments in dump and waste trailers primarily throughout Ontario, Québec, Michigan and northeastern United States.
5. Logistics — provide service to clients to meet their worldwide shipping requirements.

The following chart provides Contrans' consolidated 2009 revenues by service area:



The prior year's consolidated revenues by service area were: Van 23%; Flatbed 28%; Tank 18%; Bulk 23% and Logistics 8%.

Contrans' operations are managed on a decentralized basis through a network of terminals. The terminals provide a base from which power units and trailers are dispatched. Maintenance, sales and marketing, driver recruitment and training, administration and accounting are performed at the terminals. The Corporation's head office provides support and expertise in insurance, payroll, information technology, finance and tax compliance matters.

Markets and Competition

Freight transportation markets are usually defined by geographical location, point-to-point service location, industry and the type of trailer required. The largest part of the freight transportation requires van trailers.

Competition in the freight transportation industry is fragmented and consists of many small companies and very few large companies. Carriers compete primarily on price and ability to provide a reliable, efficient and safe transportation service. Small competitors usually only offer one type of trailer in a highly specialized yet competitive environment in which the customer may have several substitutes available. Few carriers can offer a wide array of trailer types on a national basis.

Contrans has grown steadily and management believes that its operational systems, safety standards and policies, equipment strategies, dedication to service and meeting of customers' specialized needs are the primary reasons for its ability to compete with both small and large carriers from both Canada and the United States.

Customer Diversification

Contrans has a diverse customer base consisting of both large and small companies that span a variety of industries. Contrans transports many different products such as steel, lumber, drywall, cement, waste, aggregates, paper products and liquid food products. This diversity helps to protect Contrans from the effects of economic cycles.

Employees

As at December 31, 2009, Contrans had 901 full-time employees including 388 drivers, 323 operations personnel and 190 administrative personnel. As at December 31, 2009, Contrans contributed to group life insurance, hospital and benefits for substantially all employees. Contrans has no unionized employees.

Equipment

As at December 31, 2009, Contrans owned or leased 433 power units and has access to an additional 713 power units under contract with owner-operators. As at December 31, 2009, Contrans owned or leased 2,134 trailers and had access to 94 trailers under contract with owner-operators.

Contrans is committed to the use of owner-operators. These professionals work exclusively for the Contrans, augment equipment availability thereby reducing capital requirements. The use of owner-operators provides Contrans with a more flexible cost structure with which it can respond more quickly to changes in economic conditions.

Drivers

The recruiting, hiring and retention of company drivers and owner-operators is critical to the success of Contrans. Contrans maintains high standards and exercises due care in the hiring process. Company drivers and owner-operators are interviewed, screened, tested and trained by professional safety staff. Ongoing monitoring and training programs help ensure that Contrans' high standards are adhered to and help ensure the safety of company drivers, owner-operators and those with whom we share the road.

Regulation

The freight industry is subject to regulations, designed to protect and promote public safety, that govern the maintenance and operation of highway equipment. Contrans holds all necessary licences, permits and registrations required by the jurisdictions in which it operates. These jurisdictions monitor compliance with regulations and may initiate disciplinary proceedings against non-compliant drivers or carriers that could result in the suspension or cancellation of licences or permits. Contrans has systems in place to help ensure that it remains in good standing with all jurisdictions in which it operates.

Environmental Matters

Contrans is subject to federal, provincial, state, municipal and local environmental laws and requirements in both Canada and the United States relating to air emissions, the management of contaminants, including hazardous materials (including the generation, handling, storage, transportation and disposal of such contaminants), discharges and the remediation of environmental impacts (such as the contamination of soil and water, including groundwater).

Cargo transported by Contrans can be classified as either non-regulated freight or regulated freight (such as hazardous material or environmentally regulated waste). Strict parameters must be met before Contrans can be permitted to carry regulated freight. These requirements involve specific insurance requirements, training programs and registration permits. Contrans' drivers must pass written tests and demonstrate on a graduated scale that they meet the requirements to carry regulated freight. Although Contrans does not carry significant volumes of regulated freight, Contrans has in-house expertise and systems in place to ensure that drivers and operations staffs are in compliance with regulations.

Certain of Contrans' terminals provide full maintenance service and fuel facilities. Each terminal has systems to control environmental impacts relating to the operation of that terminal. Each of the maintenance facilities has a waste generator registration certificate issued by the applicable ministry, which stipulates the manner in which Contrans must have its regulated waste materials removed. The fuel facilities are registered and licensed by provincial authorities. Each facility has a preventative maintenance program and is upgraded as required.

Contrans employs an individual whose primary responsibility is to monitor environmental legislation and standards and to advise management of Contrans with respect to its responsibilities in connection with its underground fuel storage tanks and the transportation of hazardous goods.

CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Subordinate Voting Shares and 1,467,724 Multiple Voting shares.

The rights, privileges, restrictions and conditions attaching to the shares of the Corporation are as follows:

<i>Notice</i>	All shareholders are entitled to receive notice of and to attend any meeting of shareholders of the Corporation.
<i>Voting</i>	Subordinate Voting Shares - one vote per share. Multiple Voting Shares - 10 votes per share.
<i>Dividends</i>	<p>There is no priority or distinction as between the Subordinate Voting Shares and the Multiple Voting Shares in respect of their entitlement to the payment of dividends or participation on a liquidation, dissolution or winding-up of the Corporation.</p> <p>Dividends and distributions made on a liquidation, dissolution or winding-up of the Corporation will be paid equally, share for share, without preference, distinction or priority of one share over another.</p>
<i>Special Rights</i>	<p>The Subordinate Voting Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.</p> <p>The Multiple Voting Shares do not carry any pre-emptive rights or any sinking or purchase fund provisions.</p> <p>Multiple Voting Shares can be converted into Subordinate Voting Shares on a one-for-one basis.</p> <p>The Multiple Voting Shares may be transferred by an individual to a spouse or to a spousal trust (as defined in the Income Tax Act (Canada)) but may not otherwise be transferred.</p>
<i>Multiple Voting Shares - Conversion Obligation</i>	<p>Multiple Voting Shares must be converted into Subordinate Voting Shares on a one-for-one basis upon the occurrence of certain events including, but not limited to:</p> <ul style="list-style-type: none">• the number of Multiple Voting Shares outstanding falls below 698,351.• an offer, bid or similar process is accepted by holders of 90% or more of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares at the time then outstanding.• if the holder, or any pledgee of the holder, purports to transfer or assign the Multiple Voting Shares (unless otherwise permitted by the Articles of the Corporation), including any transfer to a pledgee or any person by a pledgee exercising its rights under such pledge.• in the event that Stanley G. Dunford together with his spouse and any spousal trust of Stanley G. Dunford cease to beneficially own, directly or indirectly, a number of Subordinate Voting Shares and Multiple Voting Shares which are entitled to vote at least 33% of the aggregate voting rights attached to all Subordinate Voting Shares and Multiple Voting Shares.• on July 23, 2022 in any event.

DISTRIBUTIONS AND DIVIDENDS

Distributions

Contrans, through distributions made while an income fund, paid its unitholders for each of the past three years as follows:

2007	\$1.25 per unit;
2008	\$1.25 per unit; and
2009	\$0.80 per unit.

Dividend Policy

The Corporation has not formalized a dividend policy. However, management has indicated that it intends to pay dividends but only to the extent that sound financial management will permit.

The Corporation's dividend policy and the payment of dividends will always be subject to the discretion of the Board of the Corporation following consideration of the operating results, financial position and financing commitments of the Corporation, the economic environment in which the Corporation operates, the satisfaction of solvency tests imposed by the Business Corporation Act (Ontario) for the declaration of dividends and any other factors considered relevant by the board of directors of the Corporation. See "Risk Factors".

The Corporation also has third party debt service obligations under a revolving credit facility and senior secured notes. The ability of the Corporation to pay dividends is subject to contractual restrictions contained in such instruments.

MARKET FOR SECURITIES

The following table summarizes the trading of the Subordinate Voting Shares of the Corporation, which trades under the symbol "CSS" on the TSX, and prior to December 3, 2009, the trading of the Subordinate Voting Units of the Fund, which traded under the symbol "CSS.UN":

Month	High (Cdn \$)	Low (Cdn \$)	Volume
January 2009	6.38	5.25	529,215
February 2009	5.80	4.82	1,221,015
March 2009	5.11	2.98	904,481
April 2009	4.38	3.59	1,663,910
May 2009	6.19	3.80	2,459,827
June 2009	6.19	5.12	712,317
July 2009	5.44	4.85	862,069
August 2009	6.95	5.40	1,013,310
September 2009	7.80	6.70	699,558
October 2009	8.90	6.98	851,889
November 2009	7.40	6.00	277,233
December 2009	7.35	6.30	620,345

MANAGEMENT

Directors of the Corporation

The following table sets forth the name, province and country of residence of the current directors, together with their principal occupations. Directors are elected at each annual meeting of shareholders to hold office for a term expiring at the close of the next annual meeting of shareholders.

<u>Name, Province and Country of Residence</u>	<u>Director / Trustee Since</u>	<u>Principal Occupation⁽⁵⁾</u>
Stanley G. Dunford Ontario, Canada	1988	Chairman of the Board and Chief Executive Officer Contrans
Gregory W. Rumble Ontario, Canada	1991	President and Chief Operating Officer Contrans
Robert B. Burgess ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	1984	Barrister and Solicitor
Archie M. Leach ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	1992	President and Chief Executive Officer Carroll Hospital Group, a manufacturer of healthcare products
G. Ross Amos ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	2002	President Everest Canadian Property Company, a real estate investment bank
P. Anthony Ennis ⁽⁴⁾ Ontario, Canada	2001	President Round Oak Management Ltd., a management consulting company

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance and Nominating Committee

(4) P. Anthony Ennis is a director of Contrans Holding GP Inc., Contrans Services GP Inc., and Contrans Corp., subsidiaries of the Corporation

(5) Past five years

Executive Officers of Contrans

The following table sets forth the name, province and country of residence of each of the executive officers of Contrans.

<u>Name, Province and Country of Residence</u>	<u>Principal Occupation and Position with Contrans⁽¹⁾</u>
Stanley G. Dunford Ontario, Canada	Chairman of the Board and Chief Executive Officer
Gregory W. Rumble, C.A. Ontario, Canada	President and Chief Operating Officer
James S. Clark, C.A. Ontario, Canada	Chief Financial Officer and Vice President, Finance
D. Jamieson Miller Ontario, Canada	Secretary Treasurer
W. Todd Jenereaux, C.A. Ontario, Canada	Vice President, Corporate Development
Norman McDonough Ontario, Canada	Vice President, Risk and Compliance
David W. Golton Ontario, Canada	Vice President, Tank Operations
Laban B. Herr Ontario, Canada	Vice President, Van Operations
Steven Brookshaw Ontario, Canada	Vice President, Flatbed Operations

**Name, Province and
Country of Residence**

Principal Occupation and Position with Contrans⁽¹⁾

Scott B. Talbot
Ontario, Canada

Vice President, Bulk Operations

(1) Past five years with the exception of Mr. Brookshaw who has been the Vice President, Flatbed Operations since 2007. Prior thereto, he was a General Manager of a subsidiary of Contrans.

As at March 1, 2010, the directors and executive officers of Contrans, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 4,975,213 (17.5%) Subordinate Voting Shares and 1,467,724 (100%) Multiple Voting Shares.

Conflicts of Interest

To the best of the management's knowledge, and other than as disclosed in this annual information form, there are no known existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers of the Corporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, since January 1, 2007 no director or 10% shareholder of Contrans and no director, executive officer or 10% shareholder of Contrans or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect Contrans.

Contrans acquired 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 Director of Contrans, directly owns a majority interest in Peterbilt of Ontario Inc. The expenditures were \$6.3 million for the year ended December 31, 2009 and \$6.1 million and \$6.1 million for the comparable periods in 2008 and 2007.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Subordinate Voting Shares is Computershare Trust Company of Canada at its principal office at 100 University Avenue, 9th Floor, Toronto, Ontario.

MATERIAL CONTRACTS

The only contracts, other than contracts entered into in the ordinary course of business that are material to the Corporation and were entered into in the financial year ended December 31, 2009, or in prior years but are still in effect are as follows:

- (a) Second Amended and Restated Loan Agreement dated December 1, 2009 between First Treasury Financial Inc., Integrated Private Debt Fund LP, Integrated Private Debt Fund II LP and Contrans Holding GP Inc.
- (b) Amended and Restated Credit Agreement dated as of September 25, 2007 between Royal Bank of Canada, Contrans Holding Limited Partnership and Contrans Holding II LLP, as amended by letter amending agreements dated as of January 1, 2009 and December 1, 2009;

- (c) Second Amended and Restated Priority Agreement dated as of December 1, 2009 between First Treasury Financial Inc., Integrated Private Debt Fund LP, Integrated Private Debt Fund II LP, Royal Bank of Canada and Contrans Holding Limited Partnership.

The particulars of these contracts are contained in notes 10 and 14(b)(iv) to the consolidated financial statements in Contrans' 2009 Annual Report. The foregoing documents are filed on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The Corporation's auditors are KPMG LLP. The consolidated financial statements for the years ended December 31, 2009 and 2008 have been filed under National Instrument 51-102 in reliance on the report of KPMG LLP, independent chartered accountants, given on their authority as experts in auditing and accounting. As at March 22, 2009, KPMG LLP and its partners did not hold any registered or beneficial ownership interests, directly or indirectly, in the securities of the Corporation or its associates or affiliates.

RISK FACTORS

Risks Related to the Business and the Industry

Dependence on Key Personnel and Owner-Operators

Contrans is heavily dependent on certain management personnel for the successful operation of its business, particularly Stanley G. Dunford, the Chairman of the Board and Chief Executive Officer and Gregory W. Rumble, President and Chief Operating Officer. Furthermore, the success of Contrans is dependent upon its ability to recruit and retain key employees and owner-operators. Industry organizations have noted a growing shortage of drivers and owner-operators in recent years.

Debt Refinancing

The principal repayments on the senior secured notes are due on December 15, 2013 (\$31.9 million) and October 15, 2016 (\$50 million). Contrans' ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flow.

Concentration of Ownership

The Chairman of the Board and Chief Executive Officer, Stanley G. Dunford, beneficially owns, controls or directs approximately 41% of the votes of the Corporation. As a result, Mr. Dunford has a significant influence over matters requiring the approval of the shareholders.

Other Risk Factors

A discussion of additional risk factors that may affect Contrans appears in the Corporation's 2009 Annual Report under Management's Discussion and Analysis. The Corporation's Annual Report is available on SEDAR at www.sedar.com.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The Audit Committee is appointed by the board of directors of the Corporation (the “Board”) in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

- Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- Identify and monitor the principal risks that could impact the financial reporting of the Corporation;
- Monitor the Corporation’s system of internal controls over financial reporting;
- Monitor the independence and performance of the Corporation’s external auditor;
- Facilitate communication between the external auditor, management and the Board of Directors.

The Audit Committee Mandate is attached hereto as Schedule “A”.

Composition of Audit Committee

The members of the Audit Committee are Robert B. Burgess, Archie M. Leach and G. Ross Amos. Each of Messrs. Burgess, Leach and Amos are independent and financially literate within the meaning of Multilateral Instrument 52-110.

Relevant Education and Expertise

The following section lists the education and experience of each Audit Committee member that is relevant to his responsibilities as a member of the Audit Committee.

Robert B. Burgess, Q.C. – Mr. Burgess has been practicing law since 1963. Mr. Burgess holds a Bachelor of Commerce from McGill University and an LLB from Osgoode Hall Law School. He received the designation of Queens Counsel in 1981. Mr. Burgess had a concentration in accounting at McGill University; worked several months with a predecessor of KPMG prior to graduating from Osgoode Hall; has extensive corporate and transportation law practice with an emphasis on corporate acquisitions. He also has daily experience as a private investor in publicly traded securities.

Archie M. Leach, C.A. - Mr. Leach qualified as a Chartered Accountant in 1979. Mr. Leach is currently the President and Chief Executive Officer of Carroll Hospital Group, a manufacturer of long-term health care products. Prior to moving into executive positions with various companies, Mr. Leach spent approximately 13 years working as an auditor and held the position of Managing Partner of Deloitte & Touche LLP in London, Ontario for 10 years. Mr. Leach was previously a partner with Atkinson, Innes, Leach & Neill Chartered Accountants. Mr. Leach holds an honours degree in Business Administration from the Ivey School of Business at the University of Western Ontario.

G. Ross Amos, M.B.A., C.G.A., ICD.D – Mr. Amos has over 30 years of finance and accounting experience. Mr. Amos is currently President of a private investment firm. He has served as President of a group of hotels and Chief Financial Officer of two publicly-traded companies listed on the Toronto Stock Exchange. His experience also includes the responsibility for the analysis and structuring of equity and debt investments to a wide variety of industries. Mr. Amos holds an honours degree in Business Administration from the Ivey School of Business, University of Western Ontario, a Masters in Business Administration from The Schulich School of Business, York University and a certificate in Corporate Governance, from the Rotman School of Business, University of Toronto.

Pre-approval Policies and Procedures for the Engagement of the Auditor for Non-audit Services

The Corporation has a policy in place on the scope of services for its auditors. This policy covers all work that might be performed by the auditors of the Corporation through engagements with the Corporation or its subsidiaries. The Chief Financial Officer of Contrans is accountable for the management of the policy and for providing interpretations on its application and provides a report to the Audit Committee each quarter a summary of all auditor engagements.

The Corporation is restricted by policy from engaging its auditors to carry out services that could affect its auditor's independence. These activities include bookkeeping or other services related to the Corporation's accounting records or financial statements; financial information systems design and implementation; appraisal or valuation services for financial reporting purposes; actuarial services for items recorded in financial statements; internal audit outsourcing services; management functions; human resources; certain corporate finance and other services; legal services; and certain expert services unrelated to the audit.

The Audit Committee has pre-approved a list of audit, audit-related, tax and other non-audit services. The Audit Committee reviews and, where necessary, updates this list at least annually. The Audit Committee is informed quarterly of the permitted services for which the auditor has been engaged. Requests for services that are not pre-approved are addressed on a case-by-case basis by either the Chairman of the Audit Committee or the entire Committee depending on the scope of the request.

External Fees by Audit Category

The following table lists the fees paid to KPMG LLP by category, for the last two fiscal years.

	2009	2008
Audit Fees	\$120,956	\$117,338
Audit-Related Fees	30,770	78,895
Tax Fees	270,512	260,479
Other Fees	70,480	—
Total Fees	<u>\$ 492,718</u>	<u>\$456,712</u>

Audit Fees include fees paid to the auditors for the audit of the consolidated annual financial statements. Audit-Related Fees represent fees paid for the reviews of interim financial statements. Tax Fees include fees paid for the preparation of U.S. and Canadian tax returns, tax planning and advice, including advice relating to potential asset and business acquisitions. Other Fees include fees paid for the conversion of the Fund into a Corporation.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this document, and in certain documents incorporated by reference herein, constitute "forward-looking statements". When used herein and therein, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions, as they relate to Contrans or its management, are intended to identify forward-looking statements. Forward-looking statements are based on the views and estimates of management as of the date such statements are made and they involve known and unknown risks, uncertainties and other factors outside of management's control that could cause actual results to differ materially from those expressed in the forward-looking statements. Such factors include, but are not limited to economic conditions such as the price of fuel, insurance costs and interest rates; competition in the freight transportation industry in Canada and the United States; dependence on key personnel and owner-operators; changes in legislation concerning the transportation industry, and such other risk factors as are set out under the heading "Risk Factors" in this annual information form and those risk factors discussed in the Corporation's annual Management's Discussion and Analysis available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking statements. The Corporation undertakes no obligation (and expressly disclaims any such obligation) to update forward-looking statements if circumstances or management's estimates or views change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

ADDITIONAL INFORMATION

Additional information can be found on SEDAR at www.sedar.com.

Additional information, including the remuneration and indebtedness of directors and officers of the Corporation and its subsidiaries, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Corporation's information circular dated March 22, 2010. Additional financial information is provided in the Corporation's financial statements and Management's Discussion and Analysis for the years ended December 31, 2009 and 2008.

SCHEDULE “A”

AUDIT COMMITTEE MANDATE

Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.

Identify and monitor the management of the principal risks that could impact the financial reporting of Contrans Group Inc. (“Contrans”).

Monitor the integrity of Contrans’ financial reporting process and system of internal controls regarding financial reporting and accounting compliance.

Monitor the independence and performance of Contrans’ external auditors.

Provide an avenue of communication among the external auditors, management and the Board of Directors.

Organization and Meetings

The Board shall elect annually from among its members a Committee to be known as the Audit Committee to be composed of three Directors all of whom shall be independent¹ with no direct or material indirect relationship with Contrans or its management. Each member must be financially literate². Two members of the Audit Committee shall constitute a quorum.

The following are the primary responsibilities of the Chairman:

- ➔ Chairing all meetings of the Committee in a manner that promotes meaningful discussion.
- ➔ Ensuring adherence to the Committee’s Mandate and that the adequacy of the Committee’s Mandate is reviewed annually.
- ➔ Providing leadership to the Committee to enhance the Committee’s effectiveness.

Managing the Committee, including:

- ➔ Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
- ➔ Preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- ➔ Ensuring meetings are appropriate in terms of frequency, length and content; and

¹ “Material relationship” is defined as one that could “in the view of Contrans’ Board of Directors, reasonably interfere with the exercise of a member’s independent judgment”.

² “Financial literacy” is defined as “the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by Contrans’ financial statements”.

- ↳ Obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management of Contrans to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used.

Any member of the Audit Committee may be removed or replaced at any time by the Board and shall at any time cease to be a member of the Audit Committee upon ceasing to be a Director. Subject to the foregoing, each member of the Audit Committee shall hold office as such until the next Annual Meeting of the Shareholders after his or her election.

The Audit Committee shall choose one of its own members to be its Chairperson and shall either choose one of its own members or an officer of Contrans Group Inc. to act as Secretary at the meeting of the Audit Committee.

The Audit Committee shall meet at least on a quarterly basis. The times of and the places where the meetings shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Audit Committee; provided that notice of every such meeting shall be given to the auditors of Fund and that the meetings shall be convened whenever requested by the auditors or any member of the Committee. Regular meetings shall, whenever possible, be scheduled immediately prior to a Board of Directors' meeting.

A written agenda for each meeting shall be sent to each member and the auditors 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 Audit Committee shall report to the Board of Directors regarding each of its meetings.

Responsibilities

Review Procedures

The Audit Committee shall review and reassess the adequacy of this Mandate on a periodic basis when it considers such review to be worthwhile and submit the mandate to the Board of Directors for approval.

The Audit Committee shall review all financial statements, MD&A, earnings press releases and summaries prepared by Contrans which require approval by the Board of Directors. This would include interim statements and related reports, year end audited statements and related reports, statements and related reports in prospectuses and other offering memoranda and statements and related financial reports required by regulatory authorities. Such review must be carried out prior to Contrans publicly disclosing the information.

The Audit Committee should enquire of and discuss with management and the external auditors, all significant issues regarding accounting principles, practices and significant management estimates and judgments.

The Audit Committee should, in consultation with management and the external auditors, consider the integrity of Contrans' financial reporting process and controls. Significant financial risk exposures should be discussed, along with the steps management has taken to monitor, control and report such exposures.

The Audit Committee shall review and approve management's decision related to the need for internal auditing.

The Audit Committee shall review any report of management which accompanies published financial statements or summaries for consistency of disclosure with financial statements or summaries themselves.

The Audit Committee shall ensure that adequate procedures are in place for the review of Contrans' disclosure of financial information extracted or derived from Contrans' financial statements. A periodic assessment of the adequacy of the procedures should be performed.

The Audit Committee shall review, with management, the external auditors and if necessary with legal counsel, litigation, claims or other contingencies, income or other tax assessments or reassessments, the findings of any examinations by regulatory agencies, insurance coverage, environmental compliance, adherence to debt covenants, pension obligations, compliance with various other statutory and regulatory requirements and any other matters which in the opinion of management or the auditors could, from time to time, have a material effect upon the quarterly or annual financial position or operating results of Contrans.

The Audit Committee shall review with management the CEO and CFO Certification of annual and interim disclosures.

The Audit Committee should establish procedures for the receipt, retention and treatment of complaints received by Contrans regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Audit Committee shall review and approve Contrans' hiring of partners, employees and former partners and employees of the present and former external auditors of Contrans.

The Audit Committee shall review policies and practices concerning the discretionary expenditures of officers of Contrans. The Audit Committee may request a reporting, by individual officer, of such expenditures or a certification by such officers as to their adherence to the policies and practices.

The Audit Committee shall review with management and the external auditors all related party transactions.

Members of the Audit Committee shall have the right, for the purposes of performing their duties, to inspect all of the books and records of Contrans and of discussing such accounts and records and any matters relating to the financial position of Contrans with management and the external auditors of Contrans.

The Audit Committee shall have the authority to (a) engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) set and pay the compensation for any advisors employed by the Audit Committee; and (c) communicate directly with the internal and external auditors.

The Audit Committee shall have the right and authority subject to the Board of Directors approval to institute special investigations and, if appropriate, hire special counsel or experts to assist.

The Audit Committee shall review with management the required disclosure in Contrans' AIF, which details information with respect to the audit committee's mandate, its composition, a description of the education and experience that relate to the responsibilities of each member, and the service fees paid to the external auditors.

External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the Shareholders. The Audit Committee shall review the independence and performance of the auditors annually.

The Audit Committee shall consider whether the external auditors should be re-appointed and recommend accordingly to the Board of Directors. If a change in auditors is proposed, the Audit Committee shall enquire as to the reason for the change, including the response by the incumbent auditors. The Audit Committee should enquire as to the qualifications and independence of the newly proposed external auditors before making their recommendation to the Board of Directors.

On an annual basis, the Audit Committee should review and discuss with the external auditors all significant relationships they have with Contrans that could impair the auditors' independence.

The Audit Committee shall review the audit plans of the external auditor, and should enquire as to the extent the planned audit scope can be relied upon to detect weakness in internal controls or fraud or other illegal acts.

The Audit Committee shall review the results of any audits performed by Contrans' external auditors and shall receive a report from the auditors which includes but is not limited to the reporting recommendations of the Canadian Institute of Chartered Accountants as required from time to time. The Audit Committee shall enquire of both the officers and the external auditors as to the existence of any differences of opinion.

The Audit Committee shall consider the external auditors' judgments about the quality and appropriateness of Contrans' accounting principles as applied in Contrans' financial reporting.

The Audit Committee shall review the basis and the amount of the external auditors' fees and recommend the compensation of the external auditor to the Board of Directors.

Any member of the Audit Committee may require the external auditors to attend any or every meeting of the Audit Committee.

The Audit Committee shall review and recommend changes to the Board of Directors, as required, to Contrans' Policy on the Scope of Services of the Auditor. The Audit Committee shall be responsible for the procedures as outlined in the policy.