



Better Building Solutions



Notice of Annual General Meeting
and Special Meeting
of Shareholders

Wednesday, April 27, 2005

www.canamgroup.ws



11535, 1^{er} Avenue, bureau 500
Ville de Saint-Georges (Québec) G5Y 7H5

Notice of Annual General and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of the Shareholders of CANAM GROUP INC. (the "Company") will be held on April 27, 2005 at 11:00 a.m. at the Georgesville Convention Center at 300 - 118th Street in Ville de Saint-Georges, Province of Quebec, Canada, for the following purposes:

- 1) to receive the annual report and approve the consolidated financial statements for the year ended December 31, 2004 and the auditors' report thereon;
- 2) to elect the directors;
- 3) to appoint the auditors and authorize the directors to determine their remuneration;
- 4) to review and, if deemed appropriate, confirm by resolution (a copy of which is attached to the Management Proxy Circular as Schedule "C") By-Law No. VIII regarding the change of the corporate name Le Groupe Canam Manac inc. and its English counterpart The Canam Manac Group Inc. to Groupe Canam inc. and Canam Group Inc. respectively, the full text of which By-Law is attached as Schedule "B" to the Management Proxy Circular accompanying this Notice, the whole as described more fully in the Management Proxy Circular; and
- 5) to transact such other business as may duly be brought before the Meeting.

Shareholders can exercise their voting rights by attending the Meeting or by appointing a representative. In order to ensure the registration of their vote, shareholders are requested to complete and sign the enclosed form of proxy and return it to the Secretary of the Company no later than April 25, 2005 at 11:00 a.m. in the envelope provided for that purpose, even if they intend to attend the Meeting. If a shareholder attends in person and wishes to vote at the Meeting, his proxy will be canceled and he will be able to vote in person on any matter duly brought before the Meeting.

As stipulated in the General By-laws of the Company, only shareholders of record at the close of business five business days before the mailing hereof are entitled to receive this Notice.

Ville de Saint-Georges, Quebec
March 24, 2005

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Louis Guertin", written in a cursive style.

Louis Guertin
Vice President, Legal Affairs and Secretary

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Management Proxy Circular

1. SOLICITATION OF PROXIES

This Management Proxy Circular is provided in connection with the solicitation of proxies made by the management of Canam Group Inc.⁽¹⁾ (the "Company") to be used at the Annual General and Special Meeting of the Shareholders of the Company (the "Meeting") to be held in Ville de Saint-Georges on Wednesday, April 27, 2005 at 11:00 a.m., or any adjournment thereof, at the place and for the purposes set forth in the foregoing Notice of Meeting (the "Notice"). Unless stated otherwise, the information contained herein is given as of February 24, 2005.

The solicitation will be made primarily by mail, but employees of the Company may also solicit proxies by telephone or in person. The Company will bear the cost of the solicitation.

2. APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors or officers of the Company. A shareholder may appoint as his representative any person other than those named in the form of proxy. To exercise this right, the shareholder must strike out the names specified in the form of proxy and write the name of the person of his choice in the blank space provided for this purpose. A proxyholder need not be a shareholder of the Company. In order to be valid, the form of proxy must be delivered to the Company's head office no later than April 25, 2005 at 11:00 a.m.

A shareholder who has given a proxy may revoke it at any time before it is used by way of a written instrument signed by him or by his mandatory duly authorized in writing or, if the shareholder is a corporation, by one or more duly authorized officers or mandataries. Any such instrument must be delivered either at the head office of the Company no later than on the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof.

3. VOTING BY PROXY

The persons named in the enclosed form of proxy will vote the shares as per the instructions of the shareholder. In the absence of instructions to the contrary, the votes attached to the shares represented by such proxy will be cast IN FAVOUR of all the matters subject to a vote.

Should any other matter be properly brought before the Meeting, the enclosed form of proxy confers upon its holders the discretionary power to vote on such matters as they see fit. To this day, management knows of no amendment, modification or other matter that may be brought before the Meeting.

4. VOTING SHARES

The authorized share capital of the Company consists of an unlimited number of Class "A" Subordinate Voting Shares without par value (hereinafter sometimes referred to as Class "A" Shares), an unlimited number of Class "C" Shares without par value (hereinafter sometimes referred to as Class "C" Shares), an unlimited number of Class "D" Shares without par value, an unlimited number of Class "E" Shares without par value and an unlimited number of Class "F" Shares without par value. Class "D", Class "E" and Class "F" Shares may be issued in one (1) or more series, the conditions of each of which will be determined by the directors at the time of issuance. If these shares are voting shares, they may only confer one (1) vote per share upon their holder. Each Class "A" Share confers upon its holder the right to one (1) vote per share at the Meeting. Each Class "C" Share confers upon its holder the right to five (5) votes per share, except at meetings where each class votes separately, in which case each share of the relevant class confers one (1) vote upon its holder; the holders of Class "C" Shares will be entitled to five (5) votes per share at the Meeting.

As at February 24, 2005, 34,163,820 Class "A" Shares and 5,150,000 Class "C" Shares of the share capital of the Company were issued and outstanding.

⁽¹⁾ The corporate name "Canam Group Inc." was passed by by-law of the directors, and will be tabled for confirmation at the Meeting.

Only shareholders of record on the day of the Meeting will be entitled to attend and vote at such meeting. However, any transferee of shares of the Company acquired after the mailing of the Notice will be entitled to vote at the Meeting by producing duly endorsed share certificates representing the transferred shares, or otherwise proving his title to said shares, to the Secretary at the head office of the Company, no later than the day before the Meeting, and by requiring the registration of his name on the list of shareholders entitled to vote at the Meeting.

The By-laws of the Company provide that the quorum at the Meeting, for purposes other than electing the Chairperson, is one (1) or more persons holding personally or representing by proxy a number of issued and outstanding voting shares entitling them to more than fifty percent (50%) of the maximum number of votes at the Meeting.

5. PRINCIPAL HOLDERS

The following table indicates (i) the names of the persons who, to the knowledge of the Company's directors and executive officers, beneficially own, directly or indirectly, or control more than 10% of the voting shares of the Company, (ii) the number and percentage of shares per class of voting shares beneficially owned or controlled by each such person and (iii) the percentage of voting rights attached to all classes of voting shares beneficially owned or controlled by each such person.

Name	Number and Class of Shares	Percentage of Shares per Class	Percentage of Voting Rights Attached to All the Classes (Class "A" and "C")
Marcel Dutil ⁽¹⁾	9,668,511 Class "A" Shares	28.30%	59.12%
	5,150,000 Class "C" Shares ⁽²⁾	100%	
Capital Desjardins société en commandite #1	4,464,981 Class "A" Shares	13.07%	7.45%
Beaudier inc.	4,000,000 Class "A" Shares	11.71%	6.68%
Pierre Bourgie ⁽³⁾	3,530,689 Class "A" Shares	10.33%	5.89%

(1) The shares are held by Placements CMI Inc. and its subsidiary 9085-6063 Québec Inc., which are indirectly controlled by Mr. Marcel Dutil.

(2) Each Class "C" Share confers upon its holder the right to cast five (5) votes at the Meeting.

(3) The shares are held by Bourgie Capital Inc. and Duo Capital Inc., which are indirectly controlled by Mr. Pierre Bourgie.

6. ELECTION OF DIRECTORS

Twelve (12) Directors are to be elected at the Meeting, each to hold office until the next Annual Meeting or until his successor is elected or appointed. The persons named in the enclosed form of proxy intend to vote for the election as directors of each of the nominees whose names appear in the table below.

Management has no reason to believe that any of these nominees will be unable to serve on the Board of Directors. However, should such a situation present itself, the persons named in the enclosed form of proxy intend to vote for such other nominee as they may see fit, unless instructed in the form of proxy to abstain from voting with respect to the election of directors.

The following table provides the names of the nominees for the position of director and, for each nominee, lists: the place of residence; the position currently held within the Company, where applicable; the current principal occupation; the period in which he has acted as director; and the number and class of shares of the share capital of the Company beneficially owned, directly or indirectly, or controlled by each such person.

Name and Municipality of Residence	Present Principal Occupation	Director Since	Number and Class of Shares of the Company Held or Controlled
Élaine Beaudoin Westmount, Quebec ⁽¹⁾ ⁽²⁾	Corporate Director and Chartered Accountant	2000	10,000 Class "A" Shares
André Bérard Verdun, Quebec ⁽²⁾	Corporate Director	2003	5,000 Class "A" Shares
Pierre Bourgie Montreal, Quebec ⁽¹⁾ ⁽³⁾ ⁽⁴⁾	President and Chief Executive Officer Société Financière Bourgie (1996) Inc. (Investment Company)	1997	3,530,689 Class "A" Shares
Anne-Marie Dutil Blatchford Town of Mount Royal, Quebec	Corporate Director	1998	1,000 Class "A" Shares
Marc Dutil Ville de Saint-Georges, Quebec ⁽¹⁾	President and Chief Operating Officer Canam Group Inc.	2002	12,250 Class "A" Shares
Marcel Dutil c.m. Montreal, Quebec ⁽¹⁾	Chairman of the Board and Chief Executive Officer Canam Group Inc.	1972	9,668,511 Class "A" Shares 5,150,000 Class "C" Shares
Paul Gobeil Verdun, Quebec ⁽¹⁾ ⁽³⁾ ⁽⁴⁾	Vice Chairman of the Board Metro Inc. (Food Retailer)	1992	86,200 Class "A" Shares
Pierre Lortie c.m. Saint-Lambert, Quebec ⁽²⁾	President Transition Committee of the Agglomeration of Montreal (Government Agency)	2004	73,200 Class "A" Shares
Yvon Martineau Montreal, Quebec	Senior Partner Fasken Martineau DuMoulin s.r.l. (Law Firm)	1984	1,000 Class "A" Shares
Normand Morin Montreal, Quebec	Corporate Director	--	--
Robert Parizeau Montreal, Quebec ⁽²⁾ ⁽³⁾	Chairman of the Board Aon Parizeau Inc. (Insurance Brokers and Risk Management Advisors)	1990	40,000 Class "A" Shares
Bruno Riverin Ayer's Cliff, Quebec ⁽¹⁾ ⁽⁴⁾	Corporate Director	1994	10,000 Class "A" Shares

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Human Resources Committee

(4) Member of the Corporate Governance Committee

To the knowledge of the Company, no director of the Company is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied it access to any exemption under securities legislation, for a period of more than 30 consecutive days, including the period after which that person ceased to act in that capacity due to an event during his term of office, or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold assets of the director, including the period during the financial year of that person ceasing to act in that capacity, with the exception of (i) Mr. Marcel Dutil, who sat on the Board of Directors of Total Containment, Inc. when that corporation filed for bankruptcy under Chapter 11 of Title 11 (Bankruptcy) of the United States Code on March 4, 2004, and (ii) Mr. Paul Gobeil, who sat on the board of directors of BridgePoint International Inc. and its wholly-owned subsidiary, BridgePoint International (Canada) Inc., until November 12, 2001. BridgePoint International (Canada) Inc. filed a proposal in bankruptcy on January 25, 2002 with its creditors, and on January 31, 2002 the Toronto Stock Exchange notified BridgePoint International Inc. that it would halt the trading of its shares.

Mr. Marc Dutil joined the Company in 1989 as Information Systems Project Manager. Before his appointment in 2003 to his current position, he was Vice President of the Company and President of Steel Plus Network, a division of the Company.

Mr. Marc Dutil and Ms. Anne-Marie Dutil Blatchford are the children of Mr. Marcel Dutil. The number of Class "A" and "C" Shares of the Company beneficially owned, directly or indirectly, or controlled by each of these persons is shown in the table under this item. Not one of these three individuals controls the shares held or controlled by the other two individuals.

Mr. Pierre Lortie served as a director of the Company from 1990 to 2003.

In the last five years, Mr. Normand Morin was Executive Vice President with SNC-Lavalin Group Inc., an engineering and construction firm.

7. EXECUTIVE COMPENSATION

7.1 SUMMARY OF COMPENSATION TABLE

The following table shows the total compensation paid over the last three (3) financial years to the Chief Executive Officer, the Chief Financial Officer and the next three (3) most-highly compensated executive officers of the Company and its subsidiaries (the "Named Executive Officers") for the financial year ended December 31, 2004.

Name and Principal Position of the Named Executive Officer	Year	Annual Compensation			Long-Term Compensation	All Other Compensation
		Salary	Bonus	Other Annual Compensation ⁽¹⁾	Awards Securities under Options ⁽²⁾	
		\$	\$	\$		\$
Marcel Dutil, Chairman of the Board and Chief Executive Officer	2004	412,000	284,000	---	---	---
	2003	372,000	---	---	---	---
	2002	392,000	---	---	30,000	---
Marc Dutil, President and Chief Operating Officer	2004	275,000	150,000	---	---	---
	2003	250,000	---	---	---	---
	2002	215,000	17,000	---	10,000	---
Daniel Paillé, Vice President and Chief Financial Officer	2004	250,000	50,000	---	---	---
	2003	250,000	---	---	35,000	---
	2002	250,000	---	---	8,000	---
Mario Bernard, President Canam Steel Works and Structal	2004	285,000	114,000	---	---	---
	2003	285,000	---	---	---	---
	2002	285,000	25,000	---	18,000	---
Sam Blatchford, President Hambro and Canam Steel Corporation	2004	250,000	165,000	---	---	---
	2003	215,000	10,000	---	---	---
	2002	215,000	17,000	---	10,000	---

(1) The value of the direct and indirect benefits of each Named Executive Officer is lower than the lesser of \$50,000 or 10% of the annual salary, plus bonuses.

(2) Securities: Class "A" Shares.

7.2 OPTIONS GRANTED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

During the financial year ended December 31, 2004, the Company granted no options to purchase Class "A" Shares of the Company for the purposes of its Stock Option Purchase Plan for Key Employees. In September 2004, the Company decided to cease granting options, subject to any existing employment contracts. Employees already holding stock options will retain such options until their maturity date.

The Stock Option Purchase Plan for Key Employees is described in Paragraph 9.2 under Item 9 of this Circular.

7.3 OPTION EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION VALUES

The following table shows the number of Class "A" Shares of the Company for which stock options were exercised during the financial year ended December 31, 2004, as well as the number and value of Class "A" Shares underlying any unexercised options in accordance with the Stock Option Purchase Plan for Key Employees, as at December 31, 2004. The Named Executive Officers did not exercise any options in the last financial year.

Named Executive Officer	Shares Acquired on Exercise Number	Aggregate Value Realized \$	Shares Underlying Unexercised Options as at Financial Year-End		Value of Shares Underlying Unexercised Options as at Financial Year-End ⁽¹⁾	
			Exercisable Number	Unexercisable Number	Exercisable \$	Unexercisable \$
Marcel Dutil	---	---	82,000	24,000	5,880	---
Marc Dutil	---	---	49,500	8,000	34,750	---
Daniel Paillé	---	---	31,600	61,400	---	---
Mario Bernard	---	---	103,600	14,400	64,800	---
Sam Blatchford	---	---	64,500	8,000	---	---

⁽¹⁾ The value of the unexercised options as at the financial year-end represents the difference between the market value of Class "A" Shares as at December 31, 2004 and the exercise price of the options.

7.4 SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Under the Company's compensation plans, only the Stock Option Purchase Plan for Key Employees permits the issuance of equity securities of the Company. The following table shows the information required by the applicable legislation.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,760,280	6.10	2,280,190
Equity compensation plans not approved by securityholders	---	---	---
Total	1,760,280	6.10	2,280,190

7.5 RETIREMENT PLAN

(a) Senior Managers' Pension Plan

Senior management, including the Named Executive Officers, participate in a defined benefit pension plan (the "Senior Managers' Pension Plan"). According to the plan rules, the pension benefits payable to plan members take into account both the years of participation in the plan and the average pensionable earnings of the best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, to a maximum of \$150,000 per annum.

Under the Senior Managers' Pension Plan, plan members are entitled to a life annuity upon retirement, provided that they have reached age 55. The annuity is equal to the amount obtained by multiplying the number of years of participation in the plan by the aggregate of 1.4% of the maximum pensionable earnings (MPE) and 2% of the excess amount, up to a maximum of \$150,000 in pensionable earnings.

The normal retirement age is 65. Plan members may take their retirement as of age 55 and receive an unreduced life annuity if the sum of their age and years of participation in the plan is at least equal to 90.

The following table shows estimated annual benefits payable at normal retirement age to members of the Senior Managers' Retirement Plan based on pensionable earnings and years of pensionable service.

Remuneration	Years of Service				
	15	20	25	30	35
\$125,000	\$33,855	\$45,140	\$56,425	\$67,710	\$78,995
\$150,000 and up	\$41,355	\$55,140	\$68,925	\$82,710	\$96,495

NOTES:

1. The eligible years of service as at December 31, 2004 for the Named Executive Officers are:

Marcel Dutil	41.50 years	Mario Bernard	24.85 years	Daniel Paillé	3.42 years
Marc Dutil	14.83 years	Sam Blatchford	4.33 years		

2. The compulsory pension payment for plan members with a spouse is a 60% survivors' benefit pension payable to the spouse upon death. For plan members without a spouse, the pension paid is a life annuity guaranteed for a period of at least 120 months.

b) Supplementary Pension Agreement

Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer, is entitled to a supplementary pension agreement. This agreement entitles him, after a minimum of 25 years of service, to a pension equal to 70% of the average pensionable earnings of his best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, up to a maximum of \$500,000 per annum. This supplementary pension agreement is subject to the conditions of early retirement prescribed in the Senior Managers' Pension Plan.

The following table shows the annual benefits payable to the Chief Executive Officer, based on his pensionable earnings and years of pensionable service.

Remuneration	Years of Service		
	30	35	45
\$400,000	\$280,000	\$280,000	\$280,000
\$500,000 and up	\$350,000	\$350,000	\$350,000

Mr. Mario Bernard, President of Canam Steel Works and Structal, is also entitled to a supplementary pension agreement. This agreement entitles him, at the age of 60, provided that he

is still employed by the Company at that time, to a pension equal to 60% of the average pensionable earnings of his best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, up to a maximum of \$400,000 per annum. This supplementary pension agreement is subject to the conditions of early retirement prescribed in the Senior Managers' Pension Plan.

The following table shows the annual benefits payable once Mr. Mario Bernard reaches the age of 60, based on his pensionable earnings and years of pensionable service.

Remuneration	Years of Service		
	30	35	45
\$300,000	\$180,000	\$180,000	\$180,000
\$400,000 and up	\$240,000	\$240,000	\$240,000

The supplementary agreements for Messrs. Marcel Dutil and Mario Bernard are not capitalized, but the estimated annual value of the obligations has been calculated and entered in the financial statements of the Company.

7.6 EMPLOYMENT CONTRACT

Pursuant to his employment contract, Mr. Daniel Paillé, Vice President and Chief Financial Officer, is entitled to receive a stock option for the purchase of 35,000 Class “A” Shares of the Company on July 30, 2005. The stock options are granted in accordance with the Stock Option Purchase Plan for Key Employees.

8. COMPOSITION OF THE HUMAN RESOURCES COMMITTEE

During the financial year ended December 31, 2004, the Human Resources Committee of the Board of Directors (the “Committee”) was composed of three directors. During the year, the Committee held three meetings. As at the date of this Circular, the Committee was composed of Messrs. Pierre Bourgie, Paul Gobeil and Robert Parizeau. Mr. Parizeau joined the Committee on April 25, 2004, in replacement of Mr. Bruno Riverin. Mr. Bourgie is Chairman of the Committee.

Mr. Pierre Bourgie is the controlling shareholder of Société Financière Bourgie (1996) Inc. and owns, directly or indirectly, 47% of the units held by the limited partners and 33% of the voting shares of the general partner of Montreal Partners, two firms which together own, directly or indirectly, 40% of the participating and voting shares of Manac Inc., which, effective April 25, 2004, acquired the assets of the Manac division of the Company and the shares of Manac Trailers USA, Inc., a subsidiary of the Company. See Paragraph 9.1 entitled “Sale of Manac” under Item 9 - “Interest of Management and Others in Material Transactions” of the Company’s Annual Information Form for the financial year ended December 31, 2004. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com, or can be obtained by contacting the Corporate Secretary of the Company at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

9. REPORT OF THE HUMAN RESOURCES COMMITTEE ON EXECUTIVE COMPENSATION

9.1 GENERAL COMPENSATION PRINCIPLES

The Human Resources Committee annually reviews and approves human resources policies regarding the overall compensation of executive officers, employee benefits, pension plans and succession planning at the senior management level. The Committee reviews the succession plan annually in order to ensure the maintenance, development and continuity of a competent management team.

The principal components of the Company executive officers’ overall compensation are base salary, incentive plans, a basic pension plan, a supplementary pension plan and a group insurance program. The compensation policies and the concept behind the compensation components are designed to:

- maintain the overall compensation of executive officers at a level competitive with market practices;

- recognize and reward the executive officers who distinguish themselves by their contributions;
- ensure a balance between individual performance, financial performance and compensation;
- allow the fluctuation of the variable compensation of executive officers based on the achievement and surpassing of profitability objectives;
- facilitate the hiring of external candidates for executive officer positions that cannot be filled by internal candidates.

9.2 DESCRIPTION OF THE COMPONENTS OF COMPENSATION

(a) Base salary

The base salaries of executive officers reflect the reporting level, responsibilities and complexity of each position. They are determined based on competitive market practices for similar positions and with the help of information obtained annually by the Company from consultants who specialize in compensation and salary surveys.

The base salaries of executive officers are reviewed annually and adjusted according to individual performance, financial results and market practices.

(b) Short-term incentive plan

The Company’s profit-sharing program allows the executive officers of the Company to share in its financial success and to increase their annual compensation according to their personal performance and the financial results of the Company.

For the financial year ended December 31, 2004, profit-sharing calculations were based on the economic value added (EVA) for that financial year. The profit-sharing calculation for the Chairman of the Board and Chief Executive Officer also included a component whose formula took into account share growth during the financial year.

In January 2005, a new profit-sharing program was implemented. Under the new program, the Company distributes a percentage of the profits to all executive officers that is determined using a formula based on the return on shareholders’ equity during the reference period.

A supplementary short-term incentive program for executive officers in charge of business units was also implemented in January 2005. Under the program, participants will receive a share of the profits based on whether the profitability objectives established for each business unit at the beginning of the financial year were achieved or surpassed.

(c) Long-term incentive plan

In February 1985, the Company implemented a Stock Option Purchase Plan for Key Employees (the “Plan”) contemplating the purchase of Class “A” Shares.

The Plan provides for the granting of stock options to key employees of the Company and its subsidiaries for the purchase of a maximum of 3,500,000 Class "A" Shares. The purpose of this Plan is to retain key employees and to stimulate participants' interest in actively contributing to the development and growth of the Company. The number of shares for which a participant may subscribe under an option is based on a formula that takes reporting levels and individual contributions into account. For each stock option granted, the Chief Executive Officer determines which employees are eligible, the number of shares to be granted to each holder based on their reporting level and individual contribution, and makes his recommendation to the Human Resources Committee. Following the Committee's approval, the recommendations are submitted to the Board of Directors, which authorizes the granting of the stock options.

Shares may be subscribed for in blocks of 20% per annum as of the second anniversary of the option grant date. Options may be exercised over a period of no more than ten (10) years from the date they are granted and at an exercise price equal to the market price at the time of the grant.

During the financial year 2004, no stock options were granted and 28,000 Class "A" Shares were issued upon the exercise of options. Following the departure of certain option beneficiaries, options granted previously for the purchase of 100,700 Class "A" Shares were

cancelled. Moreover, options for the purchase of 52,000 shares expired during the financial year.

In September 2004, the Company decided to cease granting new share options under the Plan, subject to any existing employment contracts. All persons who then held options continue to hold these options until their maturity date.

The number of outstanding options as at December 31, 2004 was 1,760,280.

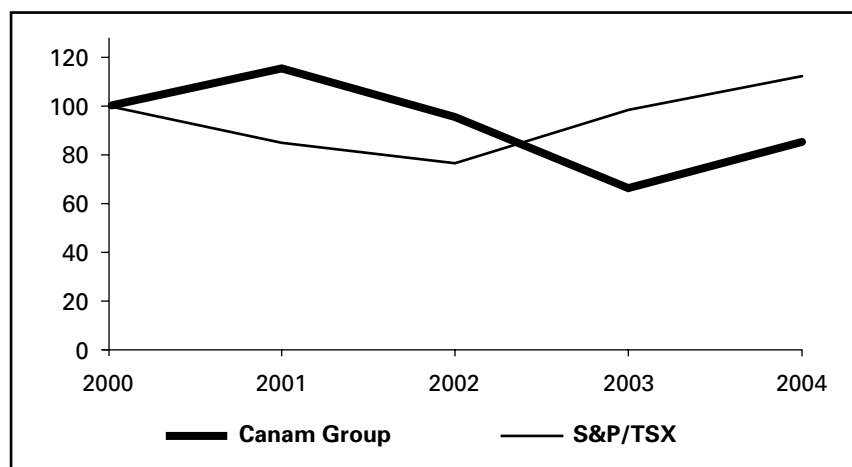
9.3 SUMMARY

The Human Resources Committee annually reviews the overall compensation of the executive officers. The components of the compensation are reviewed on an annual basis to ensure that the basic compensation remains competitive with market practices and that the incentive plans meet the stated objectives, namely an increase in the Company's profitability and growth in the shares' value. The Committee must also ensure that a balance is maintained between individual performance, financial results of the Company and compensation.

Report presented by: Pierre Bourgie, Committee Chairman
Paul Gobeil
Robert Parizeau

10. PERFORMANCE GRAPH

The following graph illustrates the cumulative total return over a five (5) year period on a \$100 investment in the Class "A" Shares of the Company and the cumulative total return of the S&P/TSX Composite Index of the Toronto Stock Exchange for the same period.



	2000	2001	2002	2003	2004
Canam Group Inc.	\$100	\$112	\$95	\$69	\$ 88
S&P/TSX Composite Index	\$100	\$ 87	\$77	\$97	\$111

11. COMPENSATION OF DIRECTORS

The Company compensates each director who is not an executive officer for services rendered during his term of office.

During the financial year ended December 31, 2004, each director received a base annual fee of \$10,000, plus a \$1,000 director's fee for each meeting of the Board of Directors or of one of its committees attended by him, with the exception of any meeting that a director attended by telephone, for which he received a \$250 director's fee. In addition, the chair of each committee of the Board of Directors received an annual fee of \$3,000, with the exception of the Audit Committee Chair who received \$5,000.

In order to offer competitive compensation, the Board of Directors decided in December 2004 to increase the overall compensation paid to directors, other than executive officers, effective January 1, 2005.

The base annual fee was therefore increased to \$15,000, and the director's fee for each meeting of the board or its committees attended rose to \$1,200, with the exception of meetings attended by telephone, for which the directors' fee will be \$500. In addition to the base annual fee received for service as a board member, each director who serves on a committee will receive a base annual fee of \$2,000, except for those directors who serve on the Audit Committee, who will receive \$4,000. Directors who serve on the Executive Committee will continue to receive no base annual fee for sitting on this committee. On the other hand, the chair of each committee of the board will receive, in addition to his base annual fee for serving on this committee, an annual fee of \$3,000, except for the Audit Committee chair, who will receive \$5,000.

12. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at February 24, 2005, the Company had no outstanding loans with any of its directors or executive officers. The following table shows the aggregate indebtedness of all employees of the Company and any of its subsidiaries, not related to the subscription of shares (other than current loans). The Company did not grant loans in connection with the purchase of shares of the Company or its subsidiaries.

Purpose	Aggregate Indebtedness	
	To the Company or Its Subsidiaries	To Another Entity
Share purchases	---	---
Other	C\$21,000 US\$133,136	---

13. CORPORATE GOVERNANCE

The Company's approach to matters relating to corporate governance is designed to ensure that the business and internal affairs of the Company are managed efficiently so as to increase value for shareholders.

a) Toronto Stock Exchange guidelines

Pursuant to the Toronto Stock Exchange guidelines, the Company is required to disclose information regarding its system of corporate governance in relation to the guidelines set out in the TSX Company Manual (the "Guidelines"). The information disclosed by the Company in addressing each of the guidelines is provided in Schedule "A". Schedule "A" also includes an overview of the Company's system of corporate governance.

b) Information on the Audit Committee

See Item 13 - "Information on the Audit Committee" in the Company's Annual Information Form for the financial year ended December 31, 2004 regarding the disclosure of information relating to the Audit Committee required under Form 52-110F1 of the Regulation 52-110 respecting audit committees. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com or can be obtained by contacting the Corporate Secretary of the Company at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

14. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

a) Sale of Manac

See Paragraph 9.1 entitled "Sale of Manac" under Item 9 - "Interest of Management and Others in Material Transactions" of the Company's Annual Information Form for the year ended December 31, 2004. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com or can be obtained by contacting the Corporate Secretary of the Company at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

b) Investment in Finloc Inc.

See Item 3 - "Description of Operations - General Profile - Other Activities" in the Company's Annual Information Form for the financial year ended December 31, 2004 regarding disclosure of information relating to the investment by the Company in a company whose voting shares are beneficially owned, directly or indirectly, by Mr. Marcel Dutil. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com or can be obtained by contacting the Corporate Secretary of the Company at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

15. APPOINTMENT AND REMUNERATION OF AUDITORS

Unless otherwise indicated, the voting rights attached to the shares represented by any duly executed proxy will be exercised in favour of the appointment of PricewaterhouseCoopers LLP, 2640 Laurier Blvd., Suite 1700, Sainte-Foy, Quebec, as auditors of the Company until the next annual meeting of shareholders and at such remuneration as may be determined by the Board of Directors of the Company.

16. CONFIRMATION OF BY-LAW NO. VIII - CHANGE OF CORPORATE NAME OF THE COMPANY

On December 7, 2004, the Board of Directors of the Company approved and adopted By-Law No. VIII changing the corporate name of Le Groupe Canam Manac inc. and its English counterpart The

Canam Manac Group Inc. to Groupe Canam inc. and Canam Group Inc. respectively. On November 25, 2004, the Company filed, with the Registraire des entreprises du Québec, articles of amendment requesting that the name change take effect January 1, 2005. The incorporating articles of the Company require that the decision of the Board of Directors to amend the articles of the Company be confirmed by the shareholders of the Company at a meeting convened to that end. Confirmation requires two-thirds of the votes cast by the shareholders. A copy of By-law No. VIII is attached hereto as Schedule "B".

A copy of the resolution on which the shareholders will be invited to vote is attached hereto as Schedule "C".

17. ADDITIONAL INFORMATION

The Company's financial information for the financial year ended December 31, 2004 is included in its audited consolidated financial statements and its Management Discussion and Analysis. Copies of these documents and additional information concerning the Company are available on the SEDAR web site at www.sedar.com and can also be obtained by contacting the Corporate Secretary of the Company at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

Anyone wishing to contact the Company or to obtain more information can visit the Company's web site at www.canamgroup.ws.

18. APPROVAL BY DIRECTORS

The Board of Directors of the Company has approved the content of this Management Proxy Circular and has authorized the sending thereof to the shareholders.

Ville de Saint-Georges, Quebec
March 24, 2005

The Chairman of the Board
and Chief Executive Officer,



Marcel Dutil, C.M.

SCHEDULE "A"

CANAM GROUP INC.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

GUIDELINES FROM THE TORONTO STOCK EXCHANGE REGARDING CORPORATE GOVERNANCE PRACTICES	HAS THE COMPANY COMPLIED?	COMMENTS
1. The board of directors of every corporation should explicitly assume responsibility for the stewardship of the corporation and, as part of the overall stewardship responsibility, should assume responsibility for the following matters:		1. In accordance with the Companies Act of the Province of Quebec, the Company's affairs are managed under the governance of its Board of Directors.
a) adoption of a strategic planning process and approval of a strategic plan that takes into account the opportunities or risks of the business;	YES	a) The Board of Directors reviews the strategic planning of the Company presented by the Chief Executive Officer and evaluates the identified opportunities and risks.
b) the identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;	YES	b) The Board of Directors identifies the principal risks of the Company and the practices and policies that the Company implements to manage these risks. However, the Board of Directors has delegated to its Audit Committee the responsibility of evaluating the principal risks of the Company and overseeing the implementation of risk management systems by management.
c) succession planning, including appointing, training and monitoring senior management;	YES	c) The Human Resources Committee is responsible for succession planning including the appointing, training and monitoring of senior management. The committee discusses the performance of senior management with the Chief Executive Officer.
d) a communications policy for the corporation;	YES	d) The Board of Directors has adopted an information disclosure policy. The Board of Directors, upon recommendation of the Corporate Governance Committee and the Audit Committee, as applicable, approves the disclosure documents that must be sent to shareholders prior to their distribution, as required by law. The Company regularly communicates with its shareholders, securities analysts and the media information on the evolution of the Company and its results through the annual report, quarterly financial statements and, as needed, press releases and material change reports.
e) the integrity of the corporation's internal control and management information systems.	YES	e) The Corporate Governance Committee ensures that the integrity of the Company's internal control and management information systems is respected.

2.

a) The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors.

YES

b) If the corporation has a significant shareholder, in addition to a majority of unrelated directors, the board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and which fairly reflects the investment in the corporation by shareholders other than the significant shareholder.

YES

3. The application of the definition of “unrelated director” to the circumstances of each individual director should be the responsibility of the board which will be required to disclose on an annual basis whether the board has a majority of unrelated directors or, in the case of a corporation with a significant shareholder, whether the board is constituted with the appropriate number of directors which are not related to either the corporation or the significant shareholder. The board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.

YES

2.

a) As at the date of this management proxy circular, the Board of Directors is constituted of eleven individuals: seven are “unrelated” directors and four are “related”.

b) The Company has a significant shareholder, Marcel Dutil, who is the majority shareholder by way of companies under his control. Mr. Dutil is a director of the Company. He is Chairman of the Board and Chief Executive Officer of the Company.

The Company has five unrelated directors who do not hold interests in the Company or with the majority shareholder, except an insignificant number of Class “A” shares of the Company which they may hold. It is the opinion of the Corporate Governance Committee that these five directors and two other unrelated directors who reflect the holdings of the two principal shareholders after Marcel Dutil, equitably reflect the interests of all minority shareholders as unrelated directors.

3. The Corporate Governance Committee has defined an unrelated director as a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director or who is a member of management.

Marcel Dutil is a related director by reason of his being the principal shareholder of the Company and that he is a member of management. Marc Dutil and Anne-Marie Dutil Blatchford are related directors by way of their relationship with Marcel Dutil. Marc Dutil is also an officer of the Company. Yvon Martineau is a senior partner with Fasken Martineau DuMoulin LLP, legal counsel to the Company. Yvon Martineau is a related director because even if in the opinion of the Corporate Governance Committee his relationship with the Company or principal shareholder is not likely to materially interfere with his ability to act in the best interests of the Company, it could be perceived as such.

Élaine Beaudoin, André Bérard, Pierre Bourgie, Paul Gobeil, Pierre Lortie, Robert Parizeau and Bruno Riverin have no connection with the Company or its majority shareholder. These seven directors are unrelated directors.

4. **The board of directors of every corporation should appoint a committee of directors composed exclusively of outside, i.e., non-management, directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full board new nominees to the board and for assessing directors on an ongoing basis.**

YES

4. The Corporate Governance Committee oversees the nomination of candidates to the Board and makes recommendations to the Board of Directors.

It is the responsibility of the Corporate Governance Committee to periodically evaluate the overall efficiency of the Board and its committees. This assessment is formally carried out once every two years. The conclusions of the committee are reported to the Board. The President of the committee discusses more specifically with the Chairman of the Board the performance of individual directors.

5. **Every board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual directors.**

YES

5. See discussion in 4.

6. Every corporation, as an integral element of the process for appointing new directors, should provide an orientation and education program for new recruits to the board.	YES	6. Each new director meets the Chairman of the Board and Chief Executive Officer as well as management members designated by the Chairman of the Board and Chief Executive Officer. The new director also receives documentation about the Company to become familiar with the activities, policies and industries in which it operates, including a manual for directors. Each new director may be called upon to visit one or more of the Company's plants.
7. Every board of directors should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilitates more effective decision-making.	YES	7. The Board of Directors believes that its size and composition are well-suited to the situation of the Company and the efficient operation of the Board of Directors as a decision-making body.
8. The board of directors should review the adequacy and form of the compensation of directors and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director.	YES	8. The Corporate Governance Committee of the Board of Directors regularly reviews the compensation policy for directors by considering the market situation and practices and the risks and responsibilities.
9.		9.
a) Committees of the board of directors should generally be composed of outside directors,	YES	a) With the exception of the executive committee, all committees of the board are composed of outside directors.
b) a majority of whom are unrelated directors, although some board committees, such as the executive committee may include one or more inside directors.	YES	b) The Executive Committee is composed of six directors including four outside and unrelated. The Chairman of the Board and Chief Executive Officer, Marcel Dutil, and the President and Chief Operating Officer, Marc Dutil, are the only internal or related directors to sit on the committee. The Executive Committee meets as needed between the meetings of the Board of Directors. It exercises the same powers as the Board of Directors, except for those which, by law or by regulation, cannot be delegated.
	YES	The Audit Committee is composed of four outside directors who are all unrelated. In addition to the responsibilities discussed under point 13, the Audit Committee reviews the annual and quarterly financial statements as well as the accompanying management discussion and analysis, and recommends their approval by the Board of Directors.

	YES	The Corporate Governance Committee is composed of three outside directors who are all unrelated. The responsibilities of the Corporate Governance Committee are to, namely, develop the Company's policy regarding corporate governance and monitor its application. The Corporate Governance Committee annually checks and confirms the independence and financial competencies of the directors who sit on the Audit Committee.
	YES	The Human Resources Committee is composed of three outside directors who are all unrelated. The responsibilities of the Human Resources Committee include, in particular, studying and making recommendations to the Board of Directors regarding the compensation policies of senior management, benefits and the employee pension plan. The committee also monitors succession planning. It reviews the pension plans of the Company and the management of health and safety programs.
10. Every board of directors should expressly assume responsibility for, or assign to a committee of directors the general responsibility for, developing the corporation's approach to governance issues. This committee would, among other things, be responsible for the company's response to these governance guidelines.	YES	10. The Corporate Governance Committee is responsible for defining and monitoring the Company's approach regarding questions related to corporate governance and to recommend measures that the Company must put in place regarding the guidelines. The committee submits its recommendations to the Board.
11. a) The board of directors, together with the CEO, should develop position descriptions for the board and for the CEO, involving the definition of the limits to management's responsibilities	YES	11. a) The responsibilities of the Board of Directors are those stated in the laws and guidelines. As part of its corporate governance practices, the Board is responsible for analyzing and approving the overall strategy of the Company, including the annual budget. The Chief Executive Officer must ensure the implementation of the Company's strategic plan that he developed with the other members of management and that the Board of Directors has approved. He also has responsibilities by virtue of the By-Laws of the Company or by resolution of the Board.

b) In addition, the board should approve or develop the corporate objectives which the CEO is responsible for meeting.

YES

b) The continuous strategic planning process and annual budget preparations incorporate the Company's general profitability objectives. These objectives are reviewed and approved by the Board of Directors. The Human Resources Committee assesses the performance of the Chief Executive Officer annually based on whether or not these objectives have been met.

12. Every board of directors should have in place appropriate structures and procedures to ensure that the board can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director." The chair or lead director should ensure that the board carries out its responsibilities effectively which will involve the board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the board's relationship to management to a committee of the board.

YES

12. Marcel Dutil is both Chairman of the Board and Chief Executive Officer of the Company. A majority of the Board is composed of directors who are unrelated to the Company and to its majority shareholder. It was not deemed necessary to separate the duties of Chairman of the Board and Chief Executive Officer exercised by Mr. Dutil. However, Paul Gobeil, an unrelated director, with no relationship with the majority shareholder, was appointed by the Board to act as "lead director."

At each of its meeting, the Board of Directors meets, if necessary, in the absence of management.

The Board of Directors has delegated to the lead director the responsibility of administering the relationship between the directors and management.

13.

a) The audit committee of every board of directors should be composed only of external directors.

YES

a) The Audit Committee is composed of four unrelated directors.

b) All members of the audit committee should possess financial literacy and at least one other member must have accounting or financial experience. Each board must define the criteria for "financial literacy" or "accounting or financial experience."

YES

b) All members of the Audit Committee possess financial literacy, by reason of the positions they hold or their university education. One unrelated director is a chartered accountant.

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>c) The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The role and responsibilities shall be clearly defined in order to provide its members with the appropriate indications on the extent of their responsibilities</p> | <p>YES</p> | <p>c) The Board of Directors has adopted a charter for the Audit Committee which sets out the role and responsibilities of the committee. The Audit Committee can request, at any time, a meeting with the internal and external auditors of the Company. At least once per year, a meeting is held between the Audit Committee and the internal and external auditors in the absence of management.</p> |
| <p>d) The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.</p> | <p>YES</p> | <p>d) The Audit Committee ensures the effectiveness of the internal control system and the exactitude of the financial information disclosed through communications with the external and internal auditors. The committee ensures the effectiveness of the coordination between the internal audit and the external audit. The committee examines the financial aspects of transactions between related parties.</p> |
| <p>14. The board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.</p> | <p>YES</p> | <p>14. Subject to prior approval by the Corporate Governance Committee, each director can hire an outside advisor at the expense of the Company. The President of the Corporate Governance Committee may, in emergency situations, hire an external advisor without the prior approval of the Corporate Governance Committee.</p> |

SCHEDULE "B"

By-Law No. VIII

Change of Corporate Name

- 1) The current corporate name of Le Groupe Canam Manac inc. and its English counterpart The Canam Manac Group Inc. have been changed to Groupe Canam inc. and Canam Group Inc. respectively.
- 2) The proposed articles of amendment submitted to the Board of Directors are hereby approved.
- 3) Any director of the Company is authorized to sign and file with the Registraire des entreprises du Québec, for and on behalf of the Company, articles of amendment that are substantially similar, in form and content, to those approved under this By-law, as well as to sign and file any other notice or document required for the purposes of issuing the certificate of amendment.
- 4) The Board of Directors of the Company is authorized to repeal this By-Law before it is given effect.

THAT any director or officer of the Company is hereby authorized to sign any document, take any action and do anything necessary or simply useful, at his entire discretion, to give effect to this By-law;

THAT By-Law No. VIII is hereby submitted to the shareholders of the Company for confirmation.

SCHEDULE "C"

Resolution Regarding the Confirmation of By-Law No. VIII

Change of Corporate Name

IT IS RESOLVED

THAT By-Law No. VIII changing the current corporate name of Le Groupe Canam Manac inc. and its English counterpart The Canam Manac Group Inc. to Groupe Canam inc. and Canam Group Inc. respectively be, and it is, hereby confirmed.



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GROUP

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