the canam manac group

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Friday, April 30, 2004

People with Talent and Dedication

11535, 1re Avenue, bureau 500
Ville de Saint-Georges (Québec) G5Y 7H5

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of THE CANAM MANAC GROUP INC. (the "Company"), will be held at the Georgesville Convention Center, 300, 118e Rue, Ville de Saint-Georges, Quebec, Canada, on April 30, 2004, at 11:00 a.m. for the following purposes:

1) to receive the annual report and approve the consolidated financial statements for the year ended December 31, 2003 and the auditors' report thereon;
2) to elect directors;
3) to appoint auditors and authorize the directors to set their remuneration; and
4) to transact such other business as may properly 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 28, 2004 at 11:00 a.m. in the envelope provided for that purpose, even if they intend to attend the Meeting. If a shareholder attends personally and wishes to vote at the Meeting, his proxy will be canceled and he will be able to vote personally with respect to any matter duly submitted to the Meeting.

As provided for in the General By-laws of the Company, only the 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)
This 26th day of March 2004

By order of the Board of Directors,

Louis Guertin,
Vice President, Legal Affairs and Secretary

the canam manac group

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular is provided in connection with the solicitation by management of The Canam Manac Group Inc. (the "Company") of proxies to be used at the Annual General Meeting of Shareholders of the Company (the "Meeting") to be held at Ville de Saint-Georges, on Friday April 30, 2004 at 11:00 a.m. at the place and for the purposes set forth in the foregoing Notice of Meeting (the "Notice") and any adjournment thereof. Unless otherwise stated, the information herein is given as of February 27, 2004.

The solicitation will be made primarily by mail but proxies may also be solicited by employees of the Company by telephone or in person. The costs of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the proxy form attached hereto are directors or officers of the Company. A shareholder has the right to appoint as his representative any person other than those named on the form of proxy. To exercise this right, the shareholder must strike out the names specified on the proxy form and insert the name of the person of his choice in the blank space provided for that purpose. A proxyholder need not be a shareholder of the Company. To be valid, the proxy form must be delivered to the Company's head office no later than April 28, 2004 at 11:00 a.m.

A shareholder who has given a proxy may revoke it at any time before it is used, by delivering a written instrument signed by him or by his mandatary duly authorized in writing or, if the shareholder is a corporation, by one or more officers or mandataries duly authorized. The revocation of proxy must be deposited at the head office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of such meeting or any adjournment thereof.

VOTING BY PROXY

The persons named on the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the shareholder's instructions. In the absence of any instructions to the contrary, the voting rights attached to the shares represented by such proxy will be voted IN FAVOUR of all the proposals for which a vote is required.

Should any other matter be properly brought before the Meeting, the enclosed proxy confers upon its holder the right to vote at his discretion on such matters. As of this day, the management of the Company knows of no amendments, modifications or other matters which may be submitted to the Meeting.

VOTING SHARES

The authorized share capital of the Company is comprised of an unlimited number of Class "A" subordinate voting shares without par value (hereinafter sometimes referred to as the Class "A" shares), an unlimited number of Class "C" shares without par value, 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 and the directors may determine the conditions attached to said shares at the time of issuance. If such 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 at the Meeting, except at any meeting where each share of the relevant Class confers one (1) vote upon its holder, and these shares will confer upon their holder the right to five (5) votes per share at the Meeting.

As at February 27, 2004, 34,135,820 Class "A" shares and 5,150,000 Class "C" shares of the share capital of the Company were issued and outstanding.

Only shareholders of record on the day of the Meeting will have the right to attend and vote at such meeting. However, any transferee of shares of the Company acquired after the transmittal of the Notice will have the right 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 the election of the chairman is one (1) or more person or persons holding personally or representing by proxy a majority of the issued and outstanding voting shares and granting more than fifty percent (50%) of the possible votes at the meeting.

PRINCIPAL HOLDERS

The only persons who, to the knowledge of the management of the Company, exercise control or direction over more than ten percent (10%) of the issued and outstanding voting shares of the share capital of the Company are the following:

Name	Number and Class of Shares	Percentage of Shares per Class
Marcel Dutil (1)	9,668,511 Class "A" shares 5,150,000 Class "C" shares	28.32% 100%
ID, limited partnership	4,464,981 Class "A" shares	13.08%
Beaudier Inc.	4,000,000 Class "A" shares	11.71%
Pierre Bourgie (2)	3,551,089 Class "A" shares	10.40%

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

(2) The shares are held by Pierre Bourgie and Bourgie Capital Inc., Duo Capital Inc., and 175778 Canada Inc. which are indirectly controlled by Pierre Bourgie.

ELECTION OF DIRECTORS

Eleven (11) 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. It is the intention of the persons named in the attached proxy form to vote at the Meeting for the election as directors of each of the nominees listed hereafter.

Management has no reason to believe that any of such nominees will not be available to serve as a director. However, if such event should occur, the persons named in the enclosed proxy form intend to vote for such other nominee as they in their discretion may determine, unless the instructions of the proxy form are to refrain from voting with respect to the election of directors.

Information pertaining to the number of shares either owned or controlled was supplied by the person concerned.

Name	Present Principal Occupation	Director Since	Number and Class of Shares Over Which Control is Exercised
Élaine Beaudoin (1) (2)	Corporate Director and Chartered Accountant	2000	10,000 Class “A” shares
André Bérard (2)	Chairman of the Board National Bank of Canada	2003	5,000 Class “A” shares
Pierre Bourgie (1) (3) (4)	President and Chief Executive Officer Société Financière Bourgie (1996) inc.	1997	3,551,089 Class “A” shares
Anne-Marie Dutil Blatchford (2)	Corporate Director	1998	1,000 Class “A” shares
Marc Dutil (1)	President and Chief Operating Officer The Canam Manac Group Inc.	2002	12,250 Class “A” shares
Marcel Dutil (1)	Chairman of the Board and Chief Executive Officer The Canam Manac Group Inc.	1972	9,668,511 Class “A” shares and 5,150,000 Class “C” shares
Paul Gobeil (1) (3) (4)	Vice-Chairman of the Board Metro Inc.; Chairman of the Board Export and Development Canada	1992	86,200 Class “A” shares
Pierre Lortie	Corporate Director	- -	73,200 Class “A” shares
Yvon Martineau	Senior Partner Fasken Martineau DuMoulin LLP	1984	1,000 Class “A” shares
Robert Parizeau (2) (4)	Chairman of the Board Aon Parizeau Inc.	1990	40,000 Class “A” shares
Bruno Riverin (1) (3)	Corporate Governance Consultant	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

With the exception of Mr. Pierre Lortie, all the candidates are currently directors and were all elected at a meeting, the notice of which was accompanied by an information circular. During the last five (5) years, Mr. Lortie has held several senior management positions at Bombardier Inc., his last position, up to the month of December 2003, was President and Chief Operating Officer of Bombardier Transportation. Mr. Lortie was a director of the Company from 1990 until January 2003. Claude Lessard will not seek to renew his mandate as a director.

The number of meetings held by the Board of Directors and its committees as well as the attendance of the directors at these meetings appear in Schedule “A” of this circular.

COMPENSATION OF DIRECTORS AND NAMED EXECUTIVE OFFICERS

SUMMARY COMPENSATION TABLE

As prescribed under applicable securities laws, the Summary Compensation Table details compensation information of the last three (3) fiscal years for the Chief Executive Officer and for the four (4) most-highly compensated executive officers, other than the Chief Executive Officer, at the end of the last fiscal year of the Company, its divisions and its subsidiaries (the "Named Executive Officers").

		Annual Compensation			Long-term Compensation	
Name/ Principal Position	Year	Salary $	Bonus $	Other Annual Compensation (1) $	Shares Under Options	All Other Compensation $
Marcel Dutil,	2003	372,000	---	---	---	---
Chairman of the Board and	2002	392,000	---	---	30,000	---
Chief Executive Officer	2001	412,000	116,101	---	---	---
Mario Bernard,	2003	285,000	---	---	---	---
President,	2002	285,000	25,000	---	18,000	---
Steel Component Sector	2001	285,000	67,688	---	---	---
North America						
Marc Dutil,	2003	250,000	---	---	---	---
President and	2002	215,000	17,000	---	10,000	---
Chief Operating Officer	2001	180,000	50,000	---	---	---
Daniel Paillé,	2003	250,000	---	---	35,000	---
Vice President and	2002	250,000	---	---	8,000	---
Chief Financial Officer	2001	104,166 (2)	---	---	50,000	90,000 (3)
Charles Watson,	2003	185,000 (4)	---	---	---	---
President,	2002	185,000 (4)	25,000 (4)	---	5,000	---
Structural Steel Division,	2001	185,000 (4)	40,000 (4)	---	---	---
United States, Canam Steel Corporation						

(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) Mr. Paillé joined the Company on July 30, 2001, as Vice President and Chief Financial Officer.

(3) Bonus paid to Mr. Paillé at the time he was hired.

(4) The amounts are in US dollars.

SHARE OPTIONS GRANTED DURING THE LAST FINANCIAL YEAR

The following table states the options granted during the year ended December 31, 2003 to the Named Executive Officers.

Name	Shares Granted Under Options	% of Total Options Granted To Employees in Financial Year	Exercise or Base Price ($/Share)	Market Value of Shares Underlying Options ($/Share)	Expiration Date
Daniel Paillé	35,000	100	3.48	3.48	August 2013

The Stock Option Purchase Plan for Key Employees is more specifically described in the report of the Human Resources Committee on Executive Compensation.

Option exercises during the most reently completed financial year and financial year-end option values

The following table states the number of Class "A" shares for which share purchase options were exercised, the value realized upon exercise and the number and value of Class "A" shares underlying unexercised options as at December 31, 2003, in accordance with the Stock Option Purchase Plan for Key Employees.

	Shares Acquired on Exercise	Aggregate Value Realized (1)	Shares Underlying Unexercised Options as at Financial Year-end		Value of Shares Underlying Unexercised Options as at Financial Year-end (in dollars) (2)	
Name	Number	$	Exercisable Number	Unexercisable Number	Exercisable $	Unexercisable $
Marcel Dutil	---	---	62,000	44,000	---	---
Mario Bernard	---	---	104,000	24,000	---	---
Marc Dutil	10,000	22,500	50,500	12,000	---	---
Daniel Paillé	---	---	20,000	73,000	---	---
Charles Watson	---	---	24,800	6,200	---	---

(1) The aggregate value realized represents the difference between the market value of Class "A" shares on the exercise date and at the exercise price.

(2) The value of the unexercised options as of the financial year-end represents the difference between the market value of Class "A" shares as of December 31, 2003 and the exercise price of the options.

Retirement Plan

The Canadian Named Executive Officers participate in the Company's Senior Managers' Retirement Plan. According to the plan rules, retirement benefits payable to the participants vary according to the number of years of pensionable service and the average admissible earnings during the 60 highest remunerated consecutive months. Admissible earnings covered by the plan are the base salary and bonuses up to a maximum of $150,000.

Normal retirement age is 65 years. However, a participant may retire starting at the age of 55 and receive non-reduced benefits if the sum of the age of the participant and the years of participation in the plan equals 90.

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

Earnings	Years of Service				
	15	20	25	30	35
$150,000	$41,400	$55,200	$69,000	$82,800	$96,600
$200,000	$41,400	$55,200	$69,000	$82,800	$96,600
$300,000	$41,400	$55,200	$69,000	$82,800	$96,600
$400,000	$41,400	$55,200	$69,000	$82,800	$96,600

NOTES:

1. The following is a breakdown of the Canadian Named Executive Officers' years of pensionable service as at December 31, 2003:
   Marcel Dutil .... 40.50 years Mario Bernard .... 23.85 years Daniel Paillé .... 2.42 years
   Marc Dutil .... 13.83 years
2. Compulsory pension payment for participants with a spouse is in the form of a joint and last survivor annuity with 60% payable to the spouse upon death. For participants without a spouse, the pension paid is a life annuity and is guaranteed for a period of at least 120 months.

The American Named Executive Officer, Charles Watson, participates in the 401k Savings Plan of Canam Steel Corporation. Under the Plan rules, participants can contribute annually to a maximum of $12,000 (in US dollars). The Company contributes an amount equal to 50% of the employee's contribution up to 4% of the employee's salary. The benefits that the participant will receive upon retirement depend on the capital and interests accumulated during the years he contributed to the Plan.

Supplementary Pension Contracts

The Chief Executive Officer is entitled to a supplementary pension agreement. The agreement was approved by the Board of Directors and provides, after a minimum of 25 years of service, for a benefit of 70% of the average base salary plus bonuses for the best five consecutive years of compensation, not to exceed $500,000, subject to the same conditions for early retirement as provided in the Senior Managers' Retirement Plan.

The following table shows the annual benefits payable at normal retirement age to the Chief Executive Officer based on the admissible earnings and years of pensionable service corresponding to the categories shown in the table.

Average Annual Earnings Five Best Years	Years of Service		
	30	35	45
$400,000	$280,000	$280,000	$280,000
$500,000	$350,000	$350,000	$350,000

Mario Bernard is also entitled to a supplementary pension agreement. The agreement was approved by the Board of Directors and provides, at the age of 60, for a benefit of 60% of the average base salary plus bonuses for the best five consecutive years of compensation, not to exceed $400,000, subject to the same conditions for early retirement as provided in the Senior Managers' Retirement Plan.

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

Average Annual Earnings Five Best Years	Years of Service	
	40	45
$300,000	$180,000	$180,000
$400,000	$240,000	$240,000

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

Employment Contract

The Company signed an employment contract with Daniel Paillé establishing the conditions governing the eventual termination of his employment. In the event that Mr. Paillé's employment is terminated during the first three years, he will be eligible for a severance pay representing 133% of his revenue for the preceding 12 months. Mr. Paillé began his employment with the Company on July 30, 2001.

According to the terms of Mr. Paillé's contract, he is entitled to options for the purchase of 120, 000 Class "A" shares of the Company to be granted as follows: (i) 50,000 on July 31, 2001; (ii) 35,000 on July 30, 2003; and (iii) 35,000 on July 30, 2005. The options are granted according to the Stock Option Purchase Plan for Key Employees.

Composition of the Human Resources Committee

During the financial year ended December 31, 2003, the Human Resources Committee of the Board of Directors (the "Committee") was composed of four directors. Marcel Dutil, Chairman of the Board and Chief Executive Officer was a member of the Committee until April 25, 2003, after which he was replaced by Bruno Riverin. During the year the Committee held two meetings. The Committee was composed of the following people:

- Claude Lessard, Chairman of the Committee
- Pierre Bourgie
- Paul Gobeil
- Bruno Riverin

REPORT OF THE HUMAN RESOURCES COMMITTEE ON EXECUTIVE COMPENSATION

General compensation principles

The corporate succession plan is reviewed and discussed annually by the Committee in order to ensure the maintenance, development and continuity of a competent senior management team.

The Committee approves compensation policies established by the Company and recommends guidelines to the Board of Directors with respect to the overall compensation of the Chief Executive Officer, the President of the Company and the presidents of the divisions and subsidiaries of the Company.

The principal components of the Company executive officers' overall compensation are the base salary, the bonuses resulting from their participation in short-term incentive plans, and stock options granted by the Company under the Company's long-term incentive plan.

The compensation policies and the guidelines for the short and long-term incentive plans are designed so as 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 and the market performance of the Company's shares; and
- facilitate the hiring of external candidates for executive officer positions in cases where such positions cannot be filled by internal candidates.

Description of the components of compensation

• Base salary

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

Executive officers' base salaries are reviewed annually and are adjusted on the basis of individual performance, financial results and market practices.

• Short-term incentive plan

The Company's profit-sharing program allows the executive officers of the Company to share in the financial success and to increase their annual compensation on the basis of their personal performance and the financial results of the Company. Under this program, the Company distributes a percentage of profits using a formula that determines the economic value added during the reference period.

For the Chief Executive Officer, the short-term incentive plan has two components. The first is a percentage of base salary according to the economic value added and the second component is determined according to a formula that considers the increase in the value of the share during the reference period.

• Long-term incentive plan

In February 1985, the Company implemented a Stock Option Purchase Plan for Key Employees (the "Plan"). The Plan has been amended several times.

The Plan provides for the granting of options to key employees for the purchase of a maximum of 3,500,000 Class "A" shares. The purpose of this Plan is to stimulate the participants' interest in actively contributing to the Company's development and growth. Furthermore, the Plan allows the Company to retain its key employees and to align the participants' interests with those of the shareholders. The terms of the Plan are reviewed periodically by the Committee.

For each grant of options, the Chief Executive Officer determines which employees are eligible, the number of options to be granted to each eligible employee, taking into account his level and personal contribution, and submits his recommendations to the Committee. Following approval by the Committee, the recommendations are presented to the Board of Directors. Starting on the second anniversary of the date the options were granted (from the date granted for options granted prior to November 6, 2002), these options can be exercised over a period not exceeding ten (10) years from the date they are granted and at a price equal to the market price of the shares at the time of the grant. Options are acquired in blocks of 20% during each of the first five (5) years in which they may be exercised.

During the financial year 2003, options for the subscription of 15,000 Class "A" shares were granted at a price of $5.41 in February of 2003 and options for the subscription of 50,000 Class "A" shares were granted at an exercise price of $3.48 in August of 2003.

The exercise price is the market value of the shares at the moment the options were granted. During the last fiscal year, options for 57,000 Class "A" shares were exercised. Following the departure of certain option beneficiaries under the Plan, options granted previously for 82,300 Class "A" shares were canceled. No option became expired during the fiscal year. Consequently, as at December 31, 2003, options for the subscription of 1,940,980 Class "A" shares were outstanding.

Summary

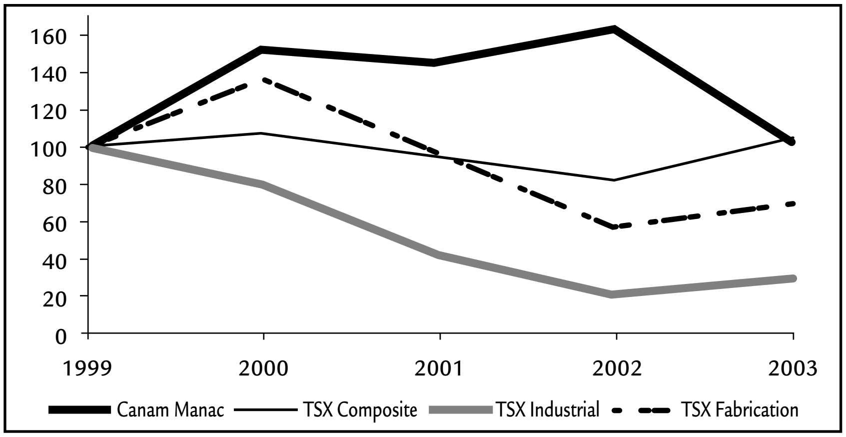
The Human Resources Committee periodically reviews the overall compensation of the executive officers and senior managers. The components of the compensation are discussed in order to ensure that basic remuneration remains competitive with market practices and that the incentive plans meet the stated objectives, namely an increase in the Company's profitability and in the shareholders' value. The Committee is also responsible to ensure that a balance is maintained between personal performance, financial results and compensation.

Report presented by:

Claude Lessard, Chairman of the Committee
Pierre Bourgie
Paul Gobeil
Bruno Riverin

PERFORMANCE GRAPH

The following graph illustrates the comparison between the cumulative total shareholder return over a five-year period on a $100 investment in the Company's Class "A" shares and the cumulative total return of the S&P/TSX Composite Index of the Toronto Stock Exchange, the TSX Industrial Index and the TSX Fabricating and Engineering Index for the same period.



	1999	2000	2001	2002	2003
The Canam Manac Group Inc.	$100	$150	$145	$162	$102
S&P/TSX Composite Index	$100	$107	$ 94	$ 82	$104
TSX Industrial Index	$100	$ 79	$ 40	$ 20	$ 28
TSX Fabricating and Engineering Index	$100	$136	$ 91	$ 56	$ 68

COMPENSATION OF DIRECTORS

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

Each director receives a base annual fee of $12,000 ($10,000 in 2003) and a $1,000 fee for each meeting of the Board of Directors or of one of its committees attended by him except for a meeting where a director participates by telephone for which he receives a $250 fee. In addition, the chair of every committee of the Board of Directors receives an annual fee of $3,000 with the exception of the president of the audit committee who receives an annual amount of $5,000.

In December 2003, the Company decided to cease offering stock options to its directors pursuant to the Plan. Previously, as base compensation, each director had the option to receive an annual fee of $10,000 or receive an option for the purchase of 15,000 Class "A" shares of the Company which was worth five (5) years of base compensation. The options were granted in accordance with the Plan. All directors shall continue to hold options acquired prior to December 2003 until the options expire. Should a director resign or should his mandate not be renewed, he may exercise any options held by him for the purchase of shares of the Company which he is entitled to exercise pursuant to the Plan, at any time until the options expire.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at February 27, 2004, aggregate indebtedness entered into other than in connection with the purchase of shares of the Company (other than "routine indebtedness") of all officers, directors and employees of the Company, its divisions and its subsidiaries, amounted to $21,000 in Canadian currency and $154,788 in US currency.

The Company has not granted loans in connection with the purchase of shares of the Company or its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

As per the rules of the Toronto Stock Exchange, the Company is required to disclose information regarding its system of corporate governance in relation to the guidelines put forth by the TSX Company Manual (the "Guidelines"). The disclosure of the Company to address each Guideline is set out in Schedule "B". Schedule "B" also includes an overview of the system of corporate governance of the Company.

INTERESTS IN CERTAIN TRANSACTIONS

The Company completed during the fiscal year 2003, as in previous years, operations with companies controlled by Marcel Dutil. These operations took place in the normal course of business and at market conditions.

APPOINTMENT AND REMUNERATION OF AUDITORS

Unless otherwise requested, the voting rights attached to the shares represented by any duly executed proxy will be exercised in favour of the appointment of PricewaterhouseCoopers LLP, 1250 René-Lévesque Blvd. W., Montréal, Quebec, as auditors of the Company at such remuneration as may be determined by the Board of Directors of the Company.

COMMUNICATIONS WITH SHAREHOLDERS

In addition to those public documents which the Company is required to file with the various regulatory authorities, the Company regularly communicates with its shareholders and the financial community by means of its quarterly reports, its annual report and its press releases, as needed. Any shareholder wishing to communicate with the Company may do so directly by addressing a request to the Vice President, Communications of the Company or by the Company's website at: www.canammanac.com.

APPROVAL BY DIRECTORS

The content of this Management Proxy Circular and the sending thereof to shareholders have been approved by the Board of Directors of the Company.

Ville de Saint-Georges, Quebec
This 26th day of March 2004

The Chairman of the Board and
Chief Executive Officer,

Marcel Dutil, c.m.

SCHEDULE "A"
THE CANAM MANAC GROUP INC.
MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

ATTENDANCE LIST OF DIRECTORS DURING THE FISCAL YEAR ENDED DECEMBER 31, 2003

Director	Board	Committees
Élaine Beaudoin	7/10	6/6
André Bérard	9/10	2/3
Pierre Bourgie	8/10	4/5
Anne-Marie Dutil Blatchford	9/10	4/5
Marc Dutil	10/10	1/1
Marcel Dutil	10/10	4/4
Paul Gobeil	10/10	5/5
Claude Lessard	6/10	2/2
Yvon Martineau	8/10	3/3
Robert Parizeau	10/10	6/6
Bruno Riverin	9/10	3/3

SUMMARY OF THE NUMBER OF MEETINGS OF THE BOARD AND THE COMMITTEES DURING THE FISCAL YEAR ENDED DECEMBER 31, 2003

Board/Committee	Number
Board of Directors	10
Executive Committee	2
Audit Committee	5
Human Resources Committee	2
Corporate Governance Committee	1

SCHEDULE "B"
THE CANAM MANAC 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.		2.
a) The board of directors of every corporation should be constituted with a majority of individuals who qualify as unrelated directors.	**YES**	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) 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**	b) The Company has a significant shareholder, Marcel Dutil, who is the majorty 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 the majority shareholder, except a not significant 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
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**	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, 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, Claude Lessard, 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, of whom three are unrelated. The related director is Anne-Marie Dutil Blatchford. 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 and have no relationship with the majority shareholder. The responsibilities of the Corporate Governance Committee are to, namely, develop the Company's policy regarding corporate governance and monitor its application.
	YES	The **Human Resources Committee** is composed of four external 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. It supervises the administration of the stock option plan for key Company employees. 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.		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**	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) See answer in 11. a)

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."

The Board meets at least once per year in the absence of management.

The Board of Directors has delegated to the Corporate Governance Committee 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.**

NO

13.

a) The Audit Committee is composed of four directors, of which three are unrelated to the Company. Anne-Marie Dutil Blatchford is the only related director. Mrs. Dutil Blatchford sits on the committee as representative of the majority shareholder.

In order to ensure that the Audit Committee is completely independent, the Corporate Governance Committee has recommended to the Board of Directors that the mandate of Mrs. Dutil Blatchford on the committee not be renewed by the Board of Directors at the meeting of the Board that will immediately follow the Annual Meeting of Shareholders, and that an unrelated director be named to the Audit Committee in her place.

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.
c) The board of directors should adopt a charter for the audit committee which sets out the roles and responsibilities of the audit committee. 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.	**YES**	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.
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.	**YES**	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.
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.	**YES**	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.

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