



Notice of Annual General Meeting of Shareholders

Friday, April 27, 2001



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 Le Georgesville Hotel, 300, 118^e Rue, Ville de Saint-Georges, Québec, Canada, on April 27, 2001, 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, 2000 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.

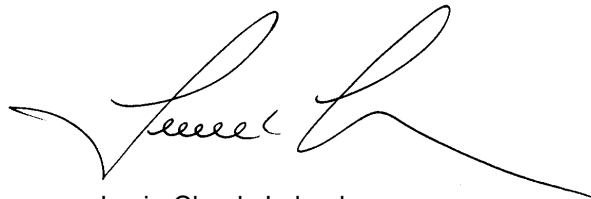
Shareholders can exercise their voting rights by attending the meeting or by appointing a representative. In order to ensure the registration of their vote, shareholders are requested to complete and sign the enclosed form of proxy and return it to the Secretary of the Company no later than April 24, 2001 at 4:00 p.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 (Québec)

This 19th day of March 2001

By order of the Board of Directors,



Lucie-Claude Lalonde
Vice President, Legal Services and Secretary

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 27th, 2001 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 of thereof. Unless otherwise stated, the information herein is given as of February 21, 2001.

The solicitation will be 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 proxy holder 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 24, 2001 at 4:00 p.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 of 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 its discretion on such matters. As of this day the management of the Company knows of no amendments 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 Class Meeting where each share of the relevant Class confers one vote upon its holder.

As of February 21, 2001, 33,447,680 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 shares 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 management of the Company, exercise control or direction over more than ten percent (10%) of the issued outstanding voting shares of the share capital Company are the following:

| Name | Number and Class of Shares | Percentage of Shares per Class |
|----------------------------------|-----------------------------|--------------------------------|
| Marcel Dutil ⁽¹⁾ | 10,317,111 Class "A" shares | 30.8% |
| | 5,150,000 Class "C" shares | 100.0% |
| Desjardins Venture Capital Group | 4,464,981 Class "A" shares | 13.3% |
| Pierre Bourgie | 3,551,089 Class "A" shares | 10.6% |

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

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 that 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 | Principal occupation | Director since | Number and Class of shares |
|--------------------------------------|--|----------------|--|
| Élaine Beaudoin ⁽²⁾ | Corporate Director | 2000 | - - |
| Pierre Bourgie ^{(1) (3)} | President and Chief Executive Officer Société Financière Bourgie (1996) inc. | 1997 | 3,551,089 Class "A" shares |
| Anne-Marie D. Blatchford | Corporate Director | 1998 | 1,000 Class "A" shares |
| Marcel Dutil c.m. ^{(1) (3)} | Chairman of the Board, President and Chief Executive Officer The Canam Manac Group Inc. | 1972 | 10,317,111 Class "A" shares and 5,150,000 Class "C" shares |
| Paul Gobeil ^{(1) (3) (4)} | Vice-Chairman of the Board Metro Inc. | 1992 | 86,200 Class "A" shares |
| Benoît La Salle ⁽²⁾ | President and Chief Executive Officer Semafo Inc. | 1997 | 23,330 Class "A" shares |
| Claude Lessard ⁽³⁾ | Chairman of the Board and Chief Executive Officer Groupe Cossette Communication Inc. | 1984 | 55,000 Class "A" shares |
| Pierre Lortie ^{(1) (4)} | President and Chief Operating Officer Bombardier Transportation | 1990 | 73,200 Class "A" shares |
| Yvon Martineau ^{(1) (2)} | 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⁾ | President and Chief Executive Officer Desjardins Venture Capital Group | 1994 | 10,000 Class "A" shares |

⁽¹⁾ Member of Executive Committee

⁽²⁾ Member of Audit Committee

⁽³⁾ Member of Human Resources Committee

⁽⁴⁾ Member of Corporate Governance Committee

All nominees are now directors of the Company and were elected at a meeting, the notice of which was accompanied by an information circular.

Compensation of Directors and Named Executive Officers

Summary Compensation Table

As prescribed under applicable securities laws, the Summary Compensation Table details compensation information the last three (3) fiscal years for the five (5) most-highly compensated executive officers of the Company, its divisions and its subsidiaries (the "Named Executive Officers").

| Name/ Principal Position | Year | Annual Compensation | | | Long-term Compensation | All Other Compensation |
|---|------|------------------------|------------------------------|--|---------------------------|------------------------------|
| | | Salary (\$) | Bonus ⁽¹⁾ (\$) | Other Annual Compensation ⁽²⁾ (\$) | Shares under Options | |
| Marcel Dutil, Chairman of the Board, President and Chief Executive Officer | 2000 | 400,000 | 145,000 | | 70,000 | |
| | 1999 | 390,000 | 351,000 | | --- | |
| | 1998 | 382,500 | 345,000 | | 30,000 | |
| Mario Bernard, President Steel Component Sector | 2000 | 250,000 | 190,500 | | 30,000 | |
| | 1999 | 250,000 | 157,500 | | --- | |
| | 1998 | 200,000 | 115,000 | | 23,000 | |
| Gaston Bureau, President Manac and Tanguay Industries | 2000 | 250,000 | 128,500 | | 15,000 | |
| | 1999 | 225,000 | 168,750 | | --- | |
| | 1998 | 200,000 | 90,000 | | 25,000 | |
| Bernard Gouin, Vice President, Finance | 2000 | 190,000 ⁽³⁾ | 95,000 ⁽³⁾ | | 30,000 | |
| | 1999 | 170,000 ⁽³⁾ | 85,000 ⁽³⁾ | | --- | |
| | 1998 | 170,000 ⁽³⁾ | 84,000 ⁽³⁾ | | 35,000 | |
| Michael D. Gallant, Vice President, General Manager, Ontario and responsible for Calgary, Columbus, Point of Rocks and Sunnyside plants, Steel Component Sector | 2000 | 180,000 | 90,000 | | 10,000 | |
| | 1999 | 160,000 | 80,000 | | --- | |
| | 1998 | 150,000 | 70,000 | | 13,500 | |

⁽¹⁾ Part of the bonuses are usually paid at the beginning of the year following the year in which they are earned.

⁽²⁾ The value of the direct and indirect benefits of each Named Executive Officer is lower than the lesser of \$50,000 and 10% of the annual salary plus bonuses.

⁽³⁾ The amounts are in U.S. dollars.

Share Options Granted During the Last Financial Year

The following table states the options granted during the year ended December 31, 2000 to the Named Executive Officers.

| Name | Shares Granted Under Options | % of total Options Granted To Employees in Financial Year | Exercise Or Base Price (\$/Security) | Market Value Shares Under Buying Options (\$/Security) | Expiration Date |
|--------------------|------------------------------|---|--------------------------------------|--|-----------------|
| Marcel Dutil | 70,000 | 10.0 | 7.50 | 7.50 | December 2010 |
| Mario Bernard | 30,000 | 4.3 | 7.50 | 7.50 | December 2010 |
| Gaston Bureau | 15,000 | 2.1 | 7.50 | 7.50 | December 2010 |
| Bernard Gouin | 30,000 | 4.3 | 7.50 | 7.50 | December 2010 |
| Michael D. Gallant | 10,000 | 1.4 | 7.50 | 7.50 | December 2010 |

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

Option Exercises During the Most Recently Completed Financial Year and Financial Year-end Option Values

The following table states the number of Class "A" shares for which options were exercised, the value realized upon exercise and the number and value of Class "A" shares underlying unexercised options as of December 31, 2000, in accordance with the Stock Option Plan for Key Employees.

| Name | Security Acquired on Exercise | Aggregate Value Realized ⁽¹⁾ (in dollars) | Number of Shares Underlying Unexercised Options as of Financial Year-end | | Value of Shares Underlying Unexercised Options as of Financial Year-end (in dollars) ⁽²⁾ | |
|--------------------|-------------------------------|--|--|---------------|---|------------------|
| | | | Exercisable \$ | Unexercisable | Exercisable \$ | Unexercisable \$ |
| Marcel Dutil | --- | --- | 282,000 | 68,000 | 1,065,600 | 35,400 |
| Mario Bernard | --- | --- | 88,800 | 36,200 | 266,410 | 35,540 |
| Gaston Bureau | --- | --- | 102,000 | 23,500 | 338,450 | 33,700 |
| Bernard Gouin | --- | --- | 79,000 | 51,000 | 207,550 | 77,700 |
| Michael D. Gallant | --- | --- | 32,700 | 14,100 | 90,525 | 17,890 |

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

⁽²⁾ The value of unexercised option as of financial year-end represents the difference between the market value of Class "A" shares as of December 31, 2000 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 |
| \$100,000 | \$27,000 | \$36,000 | \$45,000 | \$54,000 | \$63,000 |
| \$150,000 | \$41,500 | \$55,400 | \$69,250 | \$83,100 | \$97,000 |
| \$200,000 | \$41,500 | \$55,400 | \$69,250 | \$83,100 | \$97,000 |
| \$300,000 | \$41,500 | \$55,400 | \$69,250 | \$83,100 | \$97,000 |
| \$400,000 | \$41,500 | \$55,400 | \$69,250 | \$83,100 | \$97,000 |

NOTES:

- The following is a breakdown of the Canadian Named Executive Officers' years of pensionable service as at December 31, 1999:
 Marcel Dutil 37.50 years Mario Bernard 20.85 years Gaston Bureau 27.67 years
 Michael D. Gallant 25.25 years
- 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, Bernard Gouin, participates in the 401k Savings Plan of Canam Steel Corporation. Under the Plan rules, participants can contribute annually to a maximum of \$10,000 or 15% of their salary. The Company contributes to an amount equal to 50% of the employees contribution up to 4%. The benefits that the participant will receive upon retirement depends of the capital and interests accumulated during the years he contributed to the Plan.

Supplementary Pension Contracts

The President and Chief Executive Officer is entitled to a supplementary pension agreement. The contract was approved by the Board of Directors and provides, after a minimum of 25 years of service, for a benefit of 70% of a final average base salary plus bonuses not exceeding \$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 President and Chief Executive Officer based on the admissible earnings and years of pensionable service corresponding to the categories shown in the table.

| Average Annual Earnings 5 Best Years | Years of Service | | |
|---|------------------|-----------|-----------|
| | 30 | 35 | 40 |
| \$300,000 | \$210,000 | \$210,000 | \$210,000 |
| \$400,000 | \$280,000 | \$280,000 | \$280,000 |
| \$500,000 | \$350,000 | \$350,000 | \$350,000 |

Mr. Mario Bernard is also entitled to a supplementary pension agreement. The contract was approved by the Board of Directors and provides, at the age of 60, for a benefit of 60% of a final average base salary plus bonuses not exceeding \$300,000, 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 5 Best Years | Years of Service | |
|---|------------------|-----------|
| | 40 | 45 |
| \$300,000 | \$180,000 | \$180,000 |

Composition of the Human Resources Committee

The Human Resources Committee of the Board of Directors (the "Committee") is composed of five directors including the Chairman of the Board, President and Chief Executive Officer of the Company. During the financial year ended December 31, 2000, the Committee held two meetings. The Committee is composed of the following people:

- Claude Lessard, Chairman of the Committee
- Pierre Bourgie
- Marcel Dutil
- Paul Gobeil

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 President and Chief Executive Officer, and the Presidents of the divisions and subsidiaries of the Company.

The principal components of 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 as well as all employees 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 and its subsidiaries. Under this program, the Company distributes to its employees and those of its subsidiaries a percentage of profits, with the amount varying depending on the group of employees. Bonuses paid to executive officers vary according to the profitability of the business units under their jurisdiction.

• Long-term incentive plan

In February 1985, the Company implemented a Stock Option Plan for Key Employees (the "Plan"). The Plan was amended in 1986, 1987, 1988, 1995 and 2000. 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 Plan's rules are reviewed periodically by the Committee.

For each grant of options, the President and 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 contributions, and submits his recommendations to the Committee. Following approval by the Committee, the recommendations are presented to the Board of Directors. These options can be exercised over a period not exceeding ten (10) years from the date they are granted at a price not less than the market price of the shares at the time of the grant.

During the financial year ended December 31, 2000, one option was granted for the subscription of 12,500 Class “A” shares at an exercise price of \$8.40 and options were granted for the subscription of 700,000 Class “A” shares at an exercise price of \$7.50. The exercise price reflects the market price at the time the options were granted. During the last financial year, options for 88,880 Class “A” shares were exercised. Following the departure of certain beneficiaries under the Plan, options granted previously for 67,440 Class “A” shares were canceled and 67,200 have expired. Consequently, as of December 31, 2000, options for the subscription of 2,286,730 Class “A” shares were outstanding.

Summary

The 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
 Marcel Dutil
 Paul Gobeil

Compensation of Directors

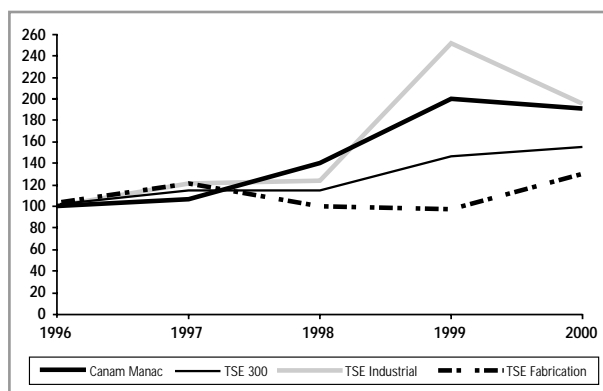
The Company compensates each director who is not an executive officer for services provided during his term of office.

Each director receives a \$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.

As base compensation, each director has 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 is worth five (5) years of base compensation. The options are granted in accordance with the Stock Option Plan which is more fully described in the report of the Human Resources Committee regarding the compensation of senior management. 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 in virtue of the Stock Option Plan, at any time during the 90 days following the end of his mandate.

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 TSE 300 Index of the Toronto Stock Exchange and the TSE Fabrication Index for the same period.



| | 1996 | 1997 | 1998 | 1999 | 2000 |
|----------------------------|-------|-------|-------|-------|-------|
| The Canam Manac Group Inc. | \$100 | \$107 | \$136 | \$204 | \$197 |
| TSE 300 Index | \$100 | \$115 | \$113 | \$149 | \$160 |
| TSE Industrial | \$100 | \$122 | \$125 | \$256 | \$202 |
| TSE Fabrication Index | \$100 | \$122 | \$101 | \$ 98 | \$134 |

Indebtedness of Directors and Officers

As of February 21, 2001, aggregate indebtedness entered into other than in connection with purchase of shares of the Company (other than "routine indebtedness") of all officers, directors and employees and former officers, directors and employees of the Company, its divisions and its subsidiaries, amounted to \$332,587 in Canadian currency and \$227,145 in U.S. currency.

The following table shows debts incurred by directors and officers of the Company.

| Name and Position | Involvement of the Company | Largest Amount Outstanding During Last Financial Year | Amount Outstanding as of February 21, 2001 |
|---|----------------------------|---|--|
| Jasmin Gosselin Vice President, Communications The Canam Manac Group Inc. | Loan by the Company | \$30,000 | \$30,000 |

There is no indebtedness for purposes in connection with purchase of shares of the Company or its subsidiaries.

Corporate Governance

General Comments

The following text sets forth the Company's corporate governance practices.

Mandate of the Board of Directors

The mandate of the Board of Directors is to supervise the management of the internal affairs and business of the Company. In addition to those decisions which require its approval pursuant to the laws and regulations, the Board is also responsible for the following items: supervising the Company's performance and the adoption of its plans and strategies, including the annual budget and interim results; ensuring the existence and maintenance of a shareholder communications policy for the Company; ensuring adequate succession planning for replacement of senior management; together with management, identifying the Company's principal risks and ensuring that there is a system in place to manage them, and supervising the effectiveness of the Company's internal control and management information systems. The Board must ensure that it is informed, in a timely manner, of all new matters relating to the Company, and it must make all the important decisions, including those regarding major investments or material sales of assets.

The Board's principal expectations of management is the long-term maximization of shareholder investment.

Composition of the Board

The Board of Directors of the Company is currently composed of eleven (11) members drawn from varied areas, whose capabilities and independence greatly benefit the Company.

The Company has one (1) significant shareholder, as defined in the Guidelines, namely, Mr. Marcel Dutil. Two (2) other directors sit on the Board of Directors to represent the interest of the two other principal shareholders, Desjardins Venture Capital Group and Pierre Bourgie. The Board is of the opinion that the composition of the Board fairly reflects the investment of shareholders in the Company.

Among the eleven (11) directors, eight (8) are unrelated to the Company or to its significant shareholder.

The orientation and education program for new recruits to the Board provides that, in addition to meetings with the chair of the Board to discuss the Company and its business, every new director is given a handbook containing retrospective public information, a copy of the mandate of each committee, recent minutes of the meetings of the Board of Directors and its committees, an organization chart of the Company and information regarding the identity of the key executives.

The Board of Directors meets at least five (5) times a year. Usually one of these meetings is combined with a visit of one of the Company's plants.

Ability of the Board of Directors to Function Independently of Management

Mr. Marcel Dutil, President and Chief Executive Officer, is also the Chairman of the Board of Directors. Given that the Board of Directors is composed of a large majority of directors unrelated to the Company or to its significant shareholder, it was decided not to separate the position of Chief Executive Officer and Chairman of the Board. However, the chair of the Corporate Governance Committee serves, upon the request of one or more directors, as an intermediary between the directors and management.

The Board has established four (4) committees with specific mandates and defined powers in order to assist it in effectively fulfilling its responsibilities.

The Executive Committee

The Executive Committee meets at least two (2) times a year, between meetings of the Board of Directors. It exercises all of the powers of the directors, with the exception of those which, by law, cannot be delegated to it. In particular, the committee is responsible for: establishing the objectives of the President and Chief Executive Officer, ensuring that these objectives are met; reviewing the activities and results of all operating sectors and establishing the Company's orientations. The Executive Committee is currently composed of one (1) inside director and five (5) outside directors, a majority of whom are unrelated to the Company.

Audit Committee

The Audit Committee meets and reports to the Board of Directors once every quarter. It is composed exclusively of outside directors, a majority of whom are unrelated to the Company. The mandate of the Audit Committee consists primarily of the following duties: reviewing the annual and interim financial statements and recommending their approval to the Board of Directors and reviewing the nature and scope of the annual audit proposed by the auditors; together with management, identifying the Company's principal risks and ensuring that there is a system in place to manage them; together with the auditors and management, examining the evaluation of the procedures and systems for the internal control of the Company.

Human Resources Committee

The Human Resources Committee examines and makes any appropriate recommendations to the Board of Directors regarding policies with respect to remuneration, benefits and employee pension plans. It manages the Stock Option Plan. This committee also supervises succession planning, including the appointment, training and monitoring of senior management.

The Human Resources Committee meets as needed, but at least twice (2) every year. It is composed of three (3) unrelated directors and one (1) related director: Mr. Marcel Dutil. The Board of Directors believes that the participation of Marcel Dutil in the Human Resources Committee is important and it has concluded that he should exercise his functions within this committee, on the condition that the committee always be composed of a majority of unrelated directors.

Corporate Governance Committee

The Corporate Governance Committee is composed exclusively of unrelated directors. Its mandate includes the following duties: to develop the Company's approach as regards corporate governance and to ensure the follow-up thereof; to supervise the annual disclosure process prescribed by the legislative authorities; to periodically assess the effectiveness of the Board of Directors and its committees and, when the circumstances justify it, to assess any request by an outside director to engage the services of an outside advisor. Its mandate also includes making any appropriate recommendations to the Board of Directors with respect to compensation of directors and the composition of the Board of Directors and its committee.

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 its request to the Vice President, Communications of the Company or by the Company web site e-mail at: www.canammanac.com.

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, Québec, as auditors of the Company at such remuneration as may be determined by the Board of Directors of the Company.

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, Québec
This 19th day of March 2001

The Chairman of the Board,
President and Chief Executive Officer,



Marcel Dutil, c.m.



Printed on recycled paper