2000

This Management Proxy Circular is furnished in connection with the solicitation by the management of Transat A.T. Inc. (the "Corporation") of proxies for use at the annual and special meeting (the "Meeting") of shareholders of the Corporation to be held on March 28, 2001 at the place and time and for the purposes set forth in the notice of Meeting as well as any adjournment thereof. The information provided herein is given as of February 6, 2001, unless otherwise indicated.

SOLICITATION OF PROXIES

The proxies contained in the enclosed form are being solicited on behalf of the management of the Corporation, the latter assuming the cost of printing, postage and sending. The solicitation will be conducted primarily by mail or by any other means deemed necessary by the management of the Corporation.

If a shareholder wishes to appoint a proxy other than the person mentioned in the proxy form, the shareholder need only enter the person's name in the space provided for in the enclosed proxy form. The nominee need not be a shareholder of the Corporation.

To be valid, the duly completed proxy form must be received by
Montreal Trust Company,
P.O. Box 1900, Station B, Montreal, Quebec,
H3B 9Z9 or be delivered to
1800 McGill College Avenue, 6th Floor,
Montreal, Quebec,
to the attention of the Corporation,
no later than 5:00 p.m.
on March 26, 2001.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by a written instrument, signed by him or his representative authorized in writing to such effect. The revocation may be delivered to the Secretary of the Corporation at 300 Léo-Pariseau Street, Suite 600, P.O. Box 2120, Place du Parc Station, Montréal, Québec, H2W 2P6, until the last business day preceding the Meeting or any reconvening of the Meeting in case of adjournment, or deposited with the chairman of the Meeting on the date of the Meeting or any reconvening thereof in case of adjournment, or in any other manner permitted by law.

EXERCISE OF POWERS CONFERRED BY THE PROXY

The voting rights attached to the shares represented by the enclosed proxy form will be exercised in accordance with the instructions of the shareholder. The persons designated in the proxy form enclosed herewith are executive officers of the Corporation.

In the absence of contrary instructions by the shareholder, the representative will exercise the right to vote in favour of each of the matters indicated on the proxy form, in the notice of Meeting or in the Management Proxy Circular.

Management knows of no other matter that may be brought before the Meeting. If, however, other matters are properly submitted to the Meeting, the persons named in the enclosed proxy form will vote on such matters as they see fit, in accordance with the discretionary power conferred on them in the proxy form regarding such matters. The shareholder or his representative duly authorized in writing must sign the proxy form.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The shares of the Corporation conferring voting rights at the Meeting are the common shares. As at February 6, 2001, the Corporation had a total of 32,280,923 common shares outstanding, and each such share entitles its holder to one vote.

As indicated in the notice of Meeting, the record date to determine the shareholders entitled to receive notice of the Meeting is the close of business on February 20, 2001. Each person who is registered as a holder of common shares at the close of business on February 20, 2001 will be entitled to vote at the Meeting or any reconvening of such Meeting if such person is present or represented by proxy. The transferee of common shares, as the case may be, acquired after the record date is entitled to exercise the voting rights pertaining to such shares at the Meeting or any reconvening of the Meeting if he produces duly endorsed share certificates representing such shares or if he otherwise proves his title to such shares and if he requires, not less than ten days prior to the Meeting, that his name be registered on the list of shareholders entitled to receive notice of the Meeting, which list has been prepared as of the record date.

As of the date hereof, the only persons or entities known by the directors and officers of the Corporation to hold 10% or more of the voting shares of the Corporation's share capital are Fonds de solidarité des travailleurs du Québec (FTQ), which holds 3,869,843 common shares, namely 12% of the issued and outstanding common shares, and Caisse de dépôt et placement du Québec and its subsidiaries, which hold 3,304,375 common shares, namely 10.2% of the issued and outstanding common shares.

MANAGEMENT REPORT AND FINANCIAL STATEMENTS

The management report, the consolidated financial statements and the auditors' report thereon, for the fiscal year ended October 31, 2000, included in the Corporation's 2000 Annual Report, will be submitted to the shareholders at the Meeting, but no vote is required or anticipated in respect thereof.

ELECTION OF DIRECTORS

Pursuant to the articles of the Corporation, the Board of Directors must be made up of a minimum of nine and a maximum of fifteen directors. In accordance with a resolution of the Board of Directors, the number of directors of the Corporation to be elected at the Meeting has been established at thirteen.

Thirteen directors will be put forward at the Meeting as nominees for election to the Board of Directors of the Corporation. Each director will remain in office until the next annual meeting of shareholders or until his successor is elected or appointed.

The persons named in the enclosed proxy form intend to vote for the election of each of the nominees whose names are set out hereinbelow.

Unless a shareholder indicates his intention to abstain from voting for the nominees, the voting rights attached to the shares represented by the proxy form enclosed herewith will be exercised in favour of the election of each of the thirteen persons listed.

The table opposite provides certain information concerning the nominees for directors. The information provided in the table regarding each nominee is based on statements made by the person concerned.

NAME OF THE DIRECTOR	PRINCIPAL OCCUPATION	DIRECTOR SINCE	COMMON SHARES OWNED OR CONTROLLED OR DIRECTED
Jean-Marc Eustache [1,3]	Chairman of the Board, President and Chief Executive Officer of the Corporation and President, Look Voyages S.A. *(tour operator)*	February 1987	884,276
André Bisson, O.C. [2,4]	Chancellor, Université de Montréal	April 1995	12,713
Lina De Cesare	Executive Vice-President - Tour Operators of the Corporation, President, Cameleon Hotel Management Corporation *(hotel management)*, and President, Tourbec (1979) Inc. *(travel agency franchisor)*	May 1989	196,686
Benoît Deschamps [1,2,4]	Corporate director	April 1997	7, 013
Marcel Gagnon	Director, CDP Capital d'Amérique, Caisse de dépôt et placement du Québec *(institutional investor)*	March 1999	—
Jean Guertin [1,3]	Senior Advisor, Telemedia Corporation *(communications)* and Honorary Professor, École des Hautes Études Commerciales *(university)*	April 1995	5,600
H. Clifford Hatch Jr.	President and Chief Executive Officer, Aurdisyl Management Corporation, Cliffco Investments Limited and Equity Link Management Limited	New Candidate	200
Michel Lessard [4]	President, Placement-Voyages Inc. *(travel agency)* and President, Club Voyages Air-Mer Inc. *(travel agency)*	April 1998	5,073
André Lévesque	Captain and Check Pilot, Airbus A330, Air Transat A.T. Inc. *(airline company)*	March 2000	53,946
Jacques Simoneau	Group Vice-President, Investments, Fonds de solidarité (FTQ) *(institutional investor)*	November 2000	—
Philippe Sureau [1]	Executive Vice-President of the Corporation and President, Exit Travel Inc. *(electronic commerce)*	February 1987	622,371
John D. Thompson [2,3]	Deputy Chairman of the Board, Montreal Trust Company *(trust company)*	April 1995	17,713
Peter G. White [2,3]	Executive Vice-President, Argus Corporation	March 2000	323

1 Member of the Executive Committee
2 Member of the Audit Committee
3 Member of the Human Resources and Compensation Committee
4 Member of the Corporate Governance Committee

Mr. H. Clifford Hatch, Jr. has held the positions appearing opposite his name for at least five years. Mr. Jacques Simoneau has been President and Chief Executive Officer of the société Innovatech du Sud du Québec between 1995 and 1999. Since 1999, he has been Group Vice-President, Investments, Fonds de solidarité des travailleurs du Québec (FTQ). Mr. Peter G. White has held the position appearing opposite his name for at least five years.

The management of the Corporation does not anticipate that any of the nominees will be unable or no longer willing to act as a director, but if such should be the case prior to the election, the persons named in the enclosed proxy form will vote in favour of electing as directors any other person(s) that the management of the Corporation may recommend in place of such nominee(s) hereinabove, unless a shareholder indicates his intention to abstain from voting for the election of directors.

APPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, shareholders will be called upon to appoint auditors that will hold office until the next annual meeting of shareholders and to authorize the Board of Directors to fix their remuneration. Ernst & Young LLP have been the auditors of the Corporation since its incorporation.

Unless a shareholder indicates his intention to abstain from voting, the voting rights attached to the shares represented by the proxy form enclosed herewith will be voted in favour of the appointment of Ernst & Young LLP as auditors of the Corporation and to authorize the Board of Directors to fix their remuneration.

To be approved, the resolution appointing Ernst & Young LLP as auditors of the Corporation and authorizing the Board of Directors to fix their remuneration must be passed by a majority of the votes cast by all the shareholders present or represented by proxy at the Meeting.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Composition of the Committee

The Human Resources and Compensation Committee of the Board of Directors (referred hereinafter in this report as the "Committee") is responsible for establishing the policy regarding the remuneration of senior management and organizational development, and for continuously supervising its implementation. The Committee makes recommendations regarding the remuneration of the executive officers, which recommendations are subject to approval by the Board of Directors.

The Committee is made up of Mssrs. Jean Guertin (Chairman of the Committee), Jean-Marc Eustache, Yves Graton and John D. Thompson. Except for Mr. Eustache, none of the members of the Committee is currently employed by the Corporation or any of its subsidiaries or is a former executive officer or employee of the Corporation or any of its subsidiaries. None of the senior executives of the Corporation is a member of the Board of Directors of the corporations that employ Mssrs. Jean Guertin, Yves Graton[1] and John D. Thompson. Mr. Eustache withdraws from the meetings of the Committee when questions concerning him are discussed.

[1] M. Yves Graton is not standing for re-election on March 28, 2001.

Senior Management Compensation Policy

The Corporation's senior management compensation policy is intended to align the senior executives' aggregate compensation with the Corporation's values, objectives and business strategy, and to determine the amount of such compensation in accordance with the Corporation's financial performance and the creation of added value for the shareholders. The specific goals of the policy are as follows:

- to attract and retain competent senior executives in order to ensure the long-term success of the Corporation and its subsidiaries;
- to motivate senior executives to meet and surpass the targeted performance objectives set by the Corporation; and
- to offer senior executives an aggregate compensation set at the 1st quartile of the reference market when the performance objectives and the objectives with respect to the creation of added value for the shareholders are attained.

The policy consists in offering an aggregate compensation to senior management which is established through a comparison with a reference market of Canadian public corporations chosen on the basis of criteria such as the nature and complexity of the operations, the operating sectors and the scope of operating activities (Canada-wide and international). The Committee reviews the composition of the reference market as well as the Corporation's positioning within this market from time to time to ensure that such reference market composition and positioning remain appropriate.

The aggregate remuneration of senior executives is comprised of the following items:

- compensation consisting of a base salary;
- a short-term incentive program in the form of an annual bonus;
- a long-term incentive program with two components: a stock option plan and a permanent stock ownership incentive plan;
- a Perquisites Program; and
- a benefits package, including a group insurance plan and retirement agreements for senior executives.

The key elements of the aggregate compensation of senior executives have been developed in accordance with the following principles:

- Base salary: Senior executives' positions in the Corporation and its subsidiaries are compared to other similar senior executives' positions in corporations making up the reference market, and the salary data gathered are then analyzed to establish the median salaries* in the market. The salary paid for each senior executive's position aims to attain the median of the reference market.

- **Short-term incentive program:** The annual bonus of senior executives is based on the Corporation's performance in relation to a quantifiable financial performance measurement as well as objectives reflecting specific indicators (strategic or financial) applicable to the Corporation or a subsidiary of the Corporation, with the exception of the President and Chief Executive Officer whose annual bonus depends entirely on the Corporation's performance in relation to a quantifiable consolidated financial performance measurement. The annual bonus for each senior executive's position is established to slightly exceed the median of the reference market, with a potential to exceed this reference market.

  The objective sought to be achieved by the application of the compensation principles described above is to provide a cash remuneration (base salary and annual bonus) in the 1st quartile of the reference market when the targeted performance objective is attained, with a potential to materially exceed the reference market when the stretch performance objective is attained.

- **Long-term incentive program:** The long-term incentive program has the following two components:

  (i) *Stock Option Plan:* The objective of the common stock option plan for directors, officers, and employees of the Corporation is to align part of the senior executive's compensation with the creation of added value for the shareholders. Subject to the approval of the Board of Directors, the President and Chief Executive Officer shall recommend to the Committee which executive officers are to be granted stock options as well as the aggregate number of options that may be granted.**

  (ii) *Permanent Stock Ownership Incentive Plan:* The Permanent Stock Ownership Incentive Plan is designed to promote the acquisition and holding by eligible senior executives of a significant block of the Corporation's common shares, in order to motivate them to create added value for shareholders and to help the Corporation retain these executives. Subject to participation in the Share Purchase Plan offered to all the Corporation's employees (by subscribing annually for a number of common shares, the total subscription price of which is equal to the maximum percentage of salary contributable under the plan), the Corporation will allocate annually to each eligible senior executive a number of common shares, the total subscription price of which shall be equal to the aforementioned maximum percentage of salary contributed. The common shares thus allocated by the Corporation will vest progressively to the eligible senior executive, subject to his retaining, during the vesting period, all the common shares subscribed for under the Corporation's Share Purchase Plan. ***

  The objective of the long-term incentive program is to ensure a target compensation value that serves to position the aggregate compensation (base salary, annual bonus, options and stock ownership) in the first quartile of the reference market when the targeted performance objective is reached, with the potential to exceed the reference market when the maximum performance objective is attained.

- **Perquisites program:** The Perquisites program is designed to provide a certain degree of flexibility with regard to the specific personal and financial requirements of senior executives. The program provides for the allocation of a financial package expressed as a percentage of base salary (varying according to the management position held), allowing a senior executive to benefit from certain perquisites from among a range of perquisites predetermined by the Corporation.

  The objective of the Perquisites program is to ensure a target compensation value anchored to the median position of the reference market.

- **Benefits package:** The benefits package is designed to provide adequate protection to senior executive and their families in the event of death, disability, illness, etc., including the implementation of a retirement agreement that provides for the payment to eligible senior executives of a retirement income based on a percentage of the senior executive's salary at the end of his or her career, determined on the basis of the number of years of service and a percentage of the senior executive's salary per year of service.

  The objective in providing a benefits package is to ensure a target compensation value positioned at the median of the reference market.

  The Committee reviews the senior management compensation policy from time to time, with the assistance of independent advisors, if necessary, in order to ensure that the Corporation meets the aforementioned objectives efficiently and that the policy remains competitive in relation to the reference market.

Compensation of the President and Chief Executive Officer

The aggregate compensation of the President and Chief Executive Officer is determined according to the same principles and objectives as those applicable to other members of senior management. Each component of the aggregate compensation of the President and Chief Executive Officer is reviewed each year by the Committee, without the Chief Executive Officer being present, in accordance with the objectives and principles described in "Senior Management Compensation Policy".

Submitted on behalf of the Human Resources and Compensation Committee by:

Jean Guertin, (Chairman), Jean-Marc Eustache, Yves Graton and John D. Thompson

* "Median salary" means a salary set at the 50th percentile of the reference market.

** See the heading entitled "Stock Option Plan" for a summary of the terms and conditions thereof.

*** See the heading entitled "Permanent Stock Ownership Incentive Plan" for a summary of the terms and conditions thereof.

EXECUTIVE COMPENSATION

The aggregate cash compensation paid to executive officers assuming policy-making functions within the Corporation and its subsidiaries in consideration of services rendered during the fiscal year ended October 31, 2000, was $2,815,930.

Summary Compensation Table

The following table sets forth the aggregate compensation paid by the Corporation during each of the last three fiscal years to the President and Chief Executive Officer of the Corporation as well as to the four most highly compensated executive officers. The persons appearing in the table are hereinafter referred to as the "Named Executive Officers".

		Annual Compensation			Long-Term Compensation			
Name and Principal Occupation	Year	Salary ($)	Bonus[1] ($)	Other Annual Compen-sation ($)	Securities under Options Granted (#)	Restricted[3] shares or restricted share units ($)	LTIP payouts de RELT ($)	All other compen-sation ($)
Jean-Marc Eustache Chairman of the Board, President and Chief Executive Officer of the Corporation and President, Look Voyages S.A.	2000	485,000	346,472	42,423	61,705	49,021	—	—
	1999	455,000	409,500	—[2]	70,543	47,959	—	—
	1998	335,000	160,000	—[2]	—	N/A	N/A	—
Philippe Sureau Executive Vice-President, of the Corporation, and President, Exit Travel Inc.	2000	290,000	122,377	34,590	24,720	29,309	—	—
	1999	280,000	184,800	—[2]	29,085	29,518	—	—
	1998	225,000	80,000	—[2]	—	N/A	N/A	—
Lina De Cesare Executive Vice-President, Tour Operators of the Corporation, President, Cameleon Hotel Management Corporation and President, Tourbec (1979) Inc.	2000	265,000	111,062	30,136	22,589	26 782	—	—
	1999	242,000	159,720	—[2]	25,138	25,512	—	—
	1998	200,000	70,000	—[2]	—	N/A	N/A	—
Denis Jacob President and Chief Executive Officer, Air Transat A.T. Inc.	2000	220,000	53,298	29,077	12,723	20,216	—	—
	1999	185,000	111,000	—[2]	14,341	19,500	—	—
	1998	155,000	50,000	—[2]	—	N/A	N/A	—
Daniel Godbout President and Executive Chief Air Transat Holidays Inc.	2000	175,000	89,775	26,163	11,132	17,689	—	—
	1999	165,000	99,000	—[2]	12,791	16,030	—	—
	1998	146,625	55,000	—[2]	25,000	N/A	N/A	—

N/A: Not applicable.

(1) Performance bonuses earned in a given year are paid out the following year. Therefore, bonuses earned in 2000 will be paid out in 2001.
The performance bonus for 2000 was granted by the Board at its Meeting of January 16, 2001 for the fiscal year ended October 31, 2000.
The performance bonus for 1999 was granted by the Board at its Meeting of January 18, 2000 for the fiscal year ended October 31, 1999.
The performance bonus for 1998 was granted by the Board at its Meeting of December 16, 1998 for the fiscal year ended October 31, 1998.

(2) Ancillary benefits and other personal benefits are not included because they did not exceed the minimum thresholds stipulated for disclosure purposes.

(3) The value of the restricted shares or restricted share units allocated under the permanent stock ownership incentive plan is computed by multiplying the number of shares allocated to each Named Executive Officer by the closing price of the Corporation's common shares on the Toronto Stock Exchange on the allocation date, namely, $7.00 for 2000, and $7.35 for 1999.

Stock Option Plan

On December 5, 1995, the Board of Directors adopted a common stock option plan for directors, officers and employees of the Corporation. The plan was amended on February 27, 1997. On May 11, 1999, the Corporation's Board of Directors further amended the stock option plan (the "Option Plan"), which amendments were ratified by the Corporation's shareholders on March 29, 2000.

The Option Plan enables the Corporation to grant stock options (the "Options") to eligible persons, at a price per share equal to the average weighted market price of the Corporation's common shares on The Toronto Stock Exchange* for the five trading days preceding the granting of Options. As at October 31, 2000, a balance of 1,574,050 options remain available for granting. The Corporation's Board of Directors or, as the case may be, its Executive Committee, may determine, from time to time, in its entire discretion, the directors, officers and employees to whom Options will be granted, the grant date or dates, the date on which the Options may vest, as well as the frequency at which each of the holders may purchase shares. The Options granted under the Option Plan expire ten years after the grant date or earlier if the option holder ceases to hold a position with the Corporation or any of its subsidiaries or if he or she dies.

Options granted during the fiscal year ended October 31, 2000

The following table indicates the options that were granted during the last fiscal year to Named Executive Officers.

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Options Exercise Price ($)	Market Value of Securities Underlying Options on the Date of Grant ($)	Expiry Date
Jean-Marc Eustache	61,705	13.54%	7.86	7.69	April 11, 2010
Philippe Sureau	24,720	5.43%	7.86	7.69	April 11, 2010
Lina De Cesare	22,589	4.96%	7.86	7.69	April 11, 2010
Denis Jacob	12,723	2.79%	7.86	7.69	April 11, 2010
Daniel Godbout	11,132	2.44%	7.86	7.69	April 11, 2010

As at October 31, 2000, a total of 2,050,428 Options are issued and outstanding. During the fiscal year ended October 31, 2000, 322,707 Options were granted at $7.86, 60,000 Options were granted at $7.28, 30,000 Options were granted at $8.05, 30,000 Options were granted at $8.78 and 10,000 Options were granted at $8.80 to holders other than the Named Executive Officers. Furthermore, Options representing 31,500 common shares at an exercise price of $0.83 per share and 44,750 common shares at an exercise price of $1.83 per share, 3,601 common shares at an exercise price of $6.45 and 1,771 common shares at an exercise price of $7.86 were exercised during the last fiscal year.

Options exercised during the fiscal year ended October 31, 2000

The following table sets forth the Options exercised during the last fiscal year by the Named Executive Officers.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at Fiscal Year-End (#)		Value of Unexercised (1) in-the-money Options at Fiscal Year-End ($)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Jean-Marc Eustache	0	—	134,082	88,166	76,796	153,595
Philippe Sureau	0	—	77,935	35,870	31,426	62,851
Lina De Cesare	0	—	75,909	31,818	27,564	55,130
Denis Jacob	0	—	69,021	18,043	15,671	31,344
Daniel Godbout	0	—	52,973	15,950	13,904	27,815

(1) The value of Unexercised in-the-money Options* was calculated using the closing price of the Corporation's common shares on the Toronto Stock Exchange on October 31, 2000, (namely, $8.85), less the exercise price of the in-the-money Options.

(*NOTE: An option is regarded as being "in-the-money" at the close of the fiscal year if the market value of the underlying securities on that date is higher than the option exercise price.)

Share Purchase Plan

On February 12, 1989, the Board of Directors of the Corporation implemented a share purchase plan with respect to the common shares of the Corporation for the benefit of employees and executives of the Corporation and its subsidiaries (the "Share Purchase Plan").

The purpose of the Share Purchase Plan is to enable employees of the Corporation and its subsidiaries to purchase common shares of the Corporation at the then current market price, less a ten percent (10%) discount, the payment of which may, at the option of the employees, be financed by the Corporation through interest-free loans reimbursed over no more than 52 weeks by means of withholdings made on their salaries. Should this be the case, the participant's shares will be kept by a trustee as security for the full reimbursement of the loan, and the trustee shall be entitled to sell the shares under certain circumstances. Should the employment be terminated, the participant be laid off, become disabled or die, or should any of the events more fully described in the Plan occur, the outstanding balance of the loan shall then become immediately due. A participant may not sell all or part of the common shares included in this Plan prior to the expiry of a one (1) year period as of the date of issue of said shares.

The number of shares for which each participant may subscribe pursuant to the Share Purchase Plan shall not at any time exceed five percent (5%) of the number of issued and outstanding common shares of the Corporation. A participant shall refrain, throughout each subscription period, from subscribing for a number of shares the aggregate subscription price of which represents more than ten percent (10%) of his or her gross annual salary in effect upon the subscription date.

The Share Purchase Plan with respect to common shares was amended on December 5, 1995, May 14, 1993 and May 22, 1992.

To meet increased employee demands to participate in the Plan, on February 6, 2001 the Board of Directors decided to raise the maximum number of common shares that may be issued pursuant to the Share Purchase Plan by 1,000,000 (including additional subscriptions, subject to a maximum of 125,000, mentioned hereunder), thereby increasing the maximum to 1,075,285 common shares.

Furthermore, for the purposes of the February 2001 subscription period, the board of directors has authorised additional subscriptions of shares in excess of the 75,285 common shares available under the Share Purchase Plan by a maximum amount of 125,000, subject to the ratification of these additional subscriptions by the shareholders of the Corporation and the approval of the Toronto Stock Exchange. On January 26, 2001, the Toronto Stock Exchange approved the increase to the maximum number of common shares which may be issued pursuant to the Share Purchase Plan, subject to the approval of said amendment by the shareholders of the Corporation and the ratification of the additional subscriptions of shares.

The Board of Directors of the Corporation recommends the approval of this increase in the number of common shares that may be issued pursuant to the Share Purchase Plan and the ratification of the additional subscriptions.

Shareholders may obtain a copy of the Share Purchase Plan with respect to common shares, as amended, free of charge, by sending a written request to that effect to the Corporate Secretary.

At the Meeting, shareholders will be called upon to approve the resolution attached hereto as Schedule A.

Unless the shareholder should indicate otherwise, the rights represented by the proxy form enclosed herewith will be exercised in favour of the resolution to increase the number of common shares that may be issued by the Corporation pursuant to the Share Purchase Plan with respect to common shares.

To be approved, the resolution must be passed by a majority of votes cast at the Meeting by all shareholders of the Corporation, present or represented by proxy at the Meeting.

Permanent Stock Ownership Incentive Plan

On June 29, 1999, the Corporation's Board of Directors adopted a permanent stock ownership incentive plan (the "Stock Ownership Incentive Plan"). The Stock Ownership Incentive Plan is in effect for an initial term of five years. During this period, the Board of Directors may determine, from time to time and at its entire discretion, which senior executives are eligible to participate in the Stock Ownership Incentive Plan. Accordingly, subject to participation in the Share Purchase Plan with respect to common shares available to all the Corporation's employees (by subscribing annually for a number of common shares, the aggregate subscription price of which is equal to the maximum percentage of salary contributable under the plan), the Corporation will grant annually to each eligible senior executive, a number of common shares the total subscription price of which is equal to the aforementioned maximum percentage of salary contributed. A third of the common shares so granted by the Corporation shall vest in the eligible senior executive on each anniversary date of the grant, subject to the senior executive retaining on each such anniversary date all the common shares subscribed for under the Corporation's Share Purchase Plan. In the event that the eligible senior executive ceases to occupy his or her position or in the event that he or she dies, said senior executive or his or her assigns, as the case may be, shall become the owner of the granted common shares that have vested on the date of his or her cessation of employment or on the date of his or her death. The common shares granted by the Corporation do not confer any rights on the eligible senior executive prior to vesting.

Common shares granted during the fiscal year ended October 31, 2000

The following table indicates the common shares granted during the last fiscal year to the Named Executive Officers.

Name	Securities, units [(1)] or other rights (#)	Performance objective [(2)] or other period to maturity or payment	Projected future payments under a Plan not based on the price of the securities — Threshold ($ or #)	Target ($ or #)	Maximum ($ or #)
Jean-Marc Eustache	7,003	February 21, 2003	N/A	N/A	N/A
Philippe Sureau	4,187	February 21, 2003	N/A	N/A	N/A
Lina De Cesare	3,826	February 21, 2003	N/A	N/A	N/A
Denis Jacob	2,888	February 21, 2003	N/A	N/A	N/A
Daniel Godbout	2,527	February 21, 2003	N/A	N/A	N/A

N/A: Not applicable.

(1) Common shares granted on February 21, 2000 to each Named Executive Officer.

(2) Maturity date on which all the shares granted vest, subject to each executive officer having retained all the common shares subscribed for under the Corporation's Share Purchase Plan.

Retirement agreements

The Corporation has entered into a standard retirement agreement with each Named Executive Officer (the "Participant") regarding a defined benefits retirement plan (the "Retirement Benefits Plan"), in order to provide the Participant with monthly retirement income for life. The standard retirement agreements came into effect on May 1, 1999.

The monthly retirement allowance to which the Participant is eligible throughout his lifetime under the terms of the Retirement Benefits Plan, upon turning 65, is one twelfth of 1.5 % multiplied by the number of eligible years of service* and by the average eligible earnings**, from which amount is to be subtracted an amount equal to one twelfth of the annual retirement benefit payable upon turning 65, which is the actuarial value equal to the amount accrued by the Participant in the Corporation's group registered retirement savings plan (the "Group RRSP") on the date of the Participant's retirement; and an amount equal to one twelfth of the amount representing the maximum annual retirement benefit payable upon turning 65 under the Québec Pension Plan, as determined on the Participant's retirement date multiplied by the number of eligible years of service and divided by 35.

The eligible earnings include the base salary and the target bonus. The annualized eligible earnings for 2000 are as follows:

Jean-Marc Eustache	$688,750
Philippe Sureau	$383,040
Lina De Cesare	$342,253
Denis Jacob	$277,567
Daniel Godbout	$221,000

* The number of eligible years of service is the aggregate of the number of calendar years and portions of calendar years of service with the Corporation by the Participant after the date of coming into force of the standard retirement agreement, plus one third of the number of calendar years and portions of calendar years of service with the Corporation by the Participant before the date of coming into force of the standard retirement agreement.

** The average eligible earnings are equal to the average of the Participant's five years of eligible service in which the aggregate of his or her base salary and target bonus under the Corporation's short-term incentive plan are the highest.

For the purpose of calculating their retirement allowances, on October 31, 2000, Mr. Jean-Marc Eustache had 8.26 recognized eligible years of service, Mr. Philippe Sureau, 8.26, Ms. Lina de Cesare, 7.55, Mr. Denis Jacob, 4.73 and Mr. Daniel Godbout 4.74.

The following table indicates the estimated annual retirement allowances payable at retirement upon turning 65, to the Named Executive Officers, in respect of a specific amount of average eligible earnings and eligible years of service pursuant to the standard retirement agreement.

Average eligible earnings	Eligible years of service				
	15	20	25	30	35
$200,000	$45,000	$60,000	$75,000	$90,000	$105,000
$300,000	$67,500	$90,000	$112,500	$135,000	$157,500
$400,000	$90,000	$120,000	$150,000	$180,000	$210,000
$500,000	$112,500	$150,000	$187,500	$225,000	$262,500
$600,000	$135,000	$180,000	$225,000	$270,000	$315,000

The standard retirement agreement provides that the estimated annual retirement allowances indicated in the table above must be reduced by the following: (i) an amount equal to the annual retirement benefit payable upon reaching 65, which is the actuarial value equal to the amount accumulated by the Participant in the Group RRSP at the date of his retirement; and (ii) an amount equal to the maximum annual retirement benefit payable upon turning 65 under the Québec Pension Plan multiplied by the number of the Participant's eligible years of service divided by 35.

The Retirement Benefits Plan also contains the following terms and conditions:

(i) unless the Participant gives prior written notice to the Corporation, the retirement allowance is payable on a monthly basis to the Participant throughout his or her lifetime, commencing the first day of the month that coincides with, or immediately follows, the date of his or her retirement and that ends on the first day of the month following the date of his or her death, and, in the event that the Participant dies within the first 120 months following the date of his retirement, monthly payments will continue to be made to the Participant's beneficiary until the 120 monthly payments are exhausted. In the event that the Participant gives such notice to the Corporation prior to the date of his or her retirement, the monthly payments may be made according to any other form of monthly payment usually available upon retirement and acceptable to the Corporation;

(ii) the Participant may elect early retirement between the ages of 55 and 65. In the event that early retirement is taken before the Participant turns 60, the retirement allowance is reduced by 5/12% for every full month that the retirement was taken before the participant's 60th birthday. Where early retirement is taken between the ages of 60 and 65, no reduction applies to the retirement allowance;

(iii) payment to the Participant of a retirement allowance is conditional on his or her continued and uninterrupted participation in the Group RRSP until the date of his or her retirement, at the maximum annual contribution level required under the terms thereof;

(iv) the cessation of the Participant's employment before the date of his or her retirement shall result in the issue by the Corporation of a certificate or promise of payment, when the Participant turns 65, of the retirement allowance in existence on the date of cessation of employment, except in the case of dismissal for cause or the Participant's interruption of his or her participation in the Group RRSP, which results in the automatic cancellation of the Participant's right to any retirement allowance pursuant to the standard retirement agreement.

On October 31, 2000, the amount of the estimated annual retirement allowances payable at the usual retirement age, namely 65, to the Named Executive Officers under the standard retirement agreements, without taking into account deductions of benefits payable pursuant to the Group RRSP and those payable under the Québec Pension Plan, is equal to $85,336 for Mr. Jean-Marc Eustache, $47,459 for Mr. Philippe Sureau, $38,760 for Ms. Lina De Cesare, $19,693 for Mr. Denis Jacob and $15,713 for Mr. Daniel Godbout.

Compensation Agreements

In December 1998, the Corporation entered into a standard agreement with each of the Named Executive Officers in order to define the terms and conditions of termination of employment of said individuals in the event of an "unsolicited or hostile" take-over of the Corporation, as defined in such agreement. These standard agreements were entered into in order to ensure such senior executives would continue to adequately see to the best long-term interests of the Corporation. Hence, for a period of two years following a take-over of the Corporation, the standard agreement provides that, if the purchaser terminates the employment of the Named Executive Officer (otherwise than for cause, or in the event of the disability or death of the Named Executive Officer) or if the Named Executive Officer terminates his or her employment for a "sufficient reason" (as defined in the agreement), the Named Executive Officer will be entitled to the payment of a severance package following termination of his employment. The severance package is primarily composed of the following elements, depending on the position held by the Named Executive Officer:

(i) a lump-sum amount equal to the base salary of the Named Executive Officer for a period of 18 or 24 months, plus one or two months for each full year of service, up to a maximum period of 24, 30 or 36 months, and;

(ii) a lump-sum amount equal to the target bonus applicable to his or her position for the period set out in (i) above.

The Named Executive Officer cannot draw any benefit from the agreement unless there is a take-over of the Corporation and termination of his or her employment occurs as described in the standard agreement prior to its expiry. The standard agreement also contains non-solicitation and non-competition undertakings that apply following cessation of employment. Accordingly, the Named Executive Officer undertakes to not solicit the Corporation's customers or employees for a period equal to the maximum severance period (24, 30 or 36 months) and to not enter into competition with the Corporation, namely not operate or participate in a business operating in the same sectors of activity, in any jurisdiction where the Corporation or one of its subsidiaries has a place of business, for a period equal to the minimum severance period (18 or 24 months).

In May 1999, the Corporation entered into a standard agreement with each Named Executive Officer, the purpose of which is to determine the applicable terms and conditions of employment, specifically in the context of cessation of employment in circumstances other than those provided for in the event of an "unsolicited or hostile" take-over of the Corporation. The standard agreements were entered into in exchange for undertakings on the part of the Named Executive Officers that they would not solicit the Corporation's customers or employees and that they would not compete with the Corporation, as hereinafter described. The standard agreement stipulates that, should the Corporation terminate the employment of a Named Executive Officer (otherwise than for cause or further to his or her disability or death) or should the Named Executive Officer terminate his or her employment for a "sufficient reason" (as defined in the agreement), the Named Executive Officer would be entitled to the payment of a severance package following the cessation of employment. The severance package consists primarily of the following amounts, depending on the position held by the Named Executive Officer:

(i) a lump sum equal to the base salary of the Named Executive Officer for a period of 12 or 18 months, plus one or two months per full year of service, up to a maximum of 18, 24 or 30 months; and

(ii) a lump sum equal to the target bonus applicable to his or her position for the period determined in accordance with paragraph (i) hereinabove.

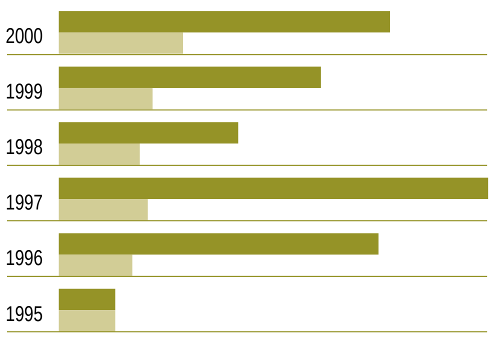
The Named Executive Officer undertakes to not solicit the Corporation's customers or employees for a period equal to the maximum severance period (18, 24 or 30 months) and to not enter into competition with the Corporation, namely not operate or participate in a business operating in the same sectors of activity, in any jurisdiction where the Corporation or one of its subsidiaries has a place of business, for a period equal to the minimum severance period (12 or 18 months).

COMPENSATION OF DIRECTORS

Each director who is not employed by the Corporation or one of its subsidiaries receives annual fees of $10,000 for his or her services, $2,500 of which is payable in common shares of the Corporation. Every chairman of a committee of the Board of Directors receives annual fees of $2,500 for his or her services. The Corporation also pays attendance fees of $1,000 to each director who is not employed by the Corporation or one of its subsidiaries for Board or committee meetings attended by such director, unless the meeting is conducted by conference call, in which case the attendance fee is $500. Every director who is not employed by the Corporation or one of its subsidiaries is entitled annually to a grant of stock options in accordance with the terms and conditions of the Corporation's Stock Option Plan. On April 11, 2000, the Corporation granted to each director not employed by the Corporation or one of its subsidiaries, 1,527 stock options at an exercise price of $7.86. Compensation in cash is paid quarterly in arrears.

RETURN ON THE SHARES

The following graph compares the cumulative total return obtained on an investment of $100 in the common shares of the Corporation made on October 31, 1995 to the cumulative total return of the TSE 300 Index of the Toronto Stock Exchange over the last five fiscal years.*



	1995	1996	1997	1998	1999	2000
TRANSAT	**100**	**556**	**750**	**313**	**457**	**577**
TSE 300 INDEX	100	126	153	139	163	216

The Corporation is part of the TSE 300 Composite Index (Transportation and Environmental Sub-Group) and the TSE 200 Index.

* All prices of the Corporation's common shares are taken from the files of the Toronto Stock Exchange, and the results represent those of the last trade carried out on the Corporation's securities on the Toronto Stock Exchange, on October 31 of the year concerned.

INDEBTEDNESS OF SENIOR EXECUTIVES

No director, senior executive or senior officer of the Corporation, or nominee for the position of director of the Corporation, is indebted to the Corporation or its subsidiaries or has contracted any loan that is secured by a security interest, a support agreement, a letter of credit or another similar arrangement on the part of the Corporation or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has taken out insurance at its own expense covering the liability of its directors and officers, in their capacities as directors and officers. This insurance was obtained pursuant to a policy, which also covers the directors and officers of the Corporation's subsidiaries, with the exception of Look Voyages S.A., which has purchased its own insurance.

For the fiscal year ended October 31, 2000, the Corporation's insurance policy provided a maximum coverage of $20,000,000 per claim, subject to a deductible of $50,000 payable by the Corporation. The premium paid under the policy for 12 months' coverage was $74,000. The insurance policy of Look Voyages S.A. provided a maximum coverage of approximately 15 million Euros per claim, subject to a deductible of approximately 38,000 Euros for certain claims. The premium paid under the policy for 12 months' coverage was approximately 7,000 Euros. Neither the insurance premium nor the premiums paid distinguish between insurance covering the liability of the directors of the Corporation and the liability of its officers, the coverage being the same for both groups.

CORPORATE GOVERNANCE

In December 1994, the Toronto Stock Exchange Committee on Corporate Governance in Canada published a report (the "TSE Report") setting out guidelines for good corporate governance in such matters as the composition and independence of members of boards of directors, the functions to be performed by such boards and their committees, and the effectiveness of and education provided to board members. To ensure the implementation of these guidelines, the Toronto Stock Exchange has adopted a guideline whereby a listed corporation must annually disclose to what extent its corporate governance practices conform with these guidelines.

To maintain high standards of good corporate governance in a constantly changing environment, corporate governance practices are periodically reviewed and assessed by the Corporate Governance Committee, which is currently comprised of three (3) outside and unrelated directors.

The following table offers a description of the Corporation's practices with respect to each of the 14 corporate governance guidelines of the Toronto Stock Exchange.

TSE Corporate Governance Guidelines	Comments
1. The board of directors should explicitly assume responsibility for the stewardship of the corporation, and specifically assume responsibility for:	
(a) adoption of a strategic planning process	The Corporation complies with this guideline. The Board of Directors supervises and contributes to the strategic planning process and adopts outlines of the Corporation's strategic measures. In connection with this process, the Board of Directors expects the Corporation's management to assume responsibility for preparing and implementing the strategic orientation adopted by the Board of Directors. This strategic planning process includes, amongst other things, financial planning of the business, investments, technology and staffing. The Board of Directors periodically reexamines and supervises implementation of the strategic plan throughout the year.
(b) identification of the principal risks and implementing risk management systems	The Corporation complies with this guideline. Through its Audit Committee, the Board of Directors identifies and evaluates the principal risk factors affecting the business of the Corporation, and approves strategies and systems proposed to manage such risks. Under these circumstances, decisions made by the Board of Directors seek to establish a balance between the principal risk factors affecting the business of the Corporation, and the potential return for shareholders.
(c) succession planning and supervising senior management	The Corporation complies with this guideline. The Human Resources and Compensation Committee, supported and supervised by the Board of Directors, reviews and contributes to the succession plans submitted by the President and Chief Executive Officer (CEO). It adopts and follows up on the performance objectives established for the CEO and members of senior management. (See Paragraph 8 below).
(d) communications policy	The Corporation complies with this guideline. In this respect, requests for information from shareholders and the financial community are initially sent to the Vice-President of Finance and Administration and Chief Financial Officer, and are dealt with thereby. Should a follow-up prove necessary, this officer coordinates the appropriate solution and monitors communications, thus ensuring the coherency of information disseminated with respect to the Corporation.
(e) integrity of internal control and management information systems	The Corporation complies with this guideline. Through its Audit Committee, the Board of Directors ensures that management adopts and maintains effective internal control and risk management systems.

TSE Corporate Governance Guidelines	Comments
2. Unrelated directors	
(a) The majority of directors should be "unrelated" (independent of management and free from conflicting interest - see Note A below)	The Corporation complies with this guideline. Of the 13 directors comprising the Board of Directors, nine are outside and unrelated within the meaning of the TSE Guidelines, as they are neither members of senior management, employees of one of the Corporation's subsidiaries nor persons with an interest or business relationship that could, or could be reasonably perceived to materially interfere with their ability to act in the best interests of the Corporation, other than interests or relationships arising from shareholding.
(b) If the corporation has a significant shareholder, the board of directors should include a certain number of directors who do not have interests in or relationships with the significant shareholder - see Note B below	The Corporation complies with this guideline, since it has no significant shareholder within the meaning of the TSE Guidelines.
3. Disclose, for each director, whether he or she is "related" or "unrelated", and how that conclusion was reached	The Corporation complies with this guideline. Mr. Jean-Marc Eustache (Chairman of the Board, CEO of the Corporation and President of Look Voyages S.A.), Ms. Lina De Cesare (Executive Vice-President — Tour Operators of the Corporation, President, Cameleon Hotel Management Corporation and President of Tourbec (1979) Inc. and), Mr. André Lévesque (Captain and Check Pilot, Airbus A330, Air Transat A.T. Inc.) and Mr. Philippe Sureau (Executive Vice-President of the Corporation and President of Exit Travel Inc.) are all inside and related directors. Mr. André Bisson, Chancellor, Université de Montréal, is an outside and unrelated director. Mr. Benoît Deschamps, Corporate Director, is an outside and unrelated director. Mr. Marcel Gagnon, Director with CDP Capital d'Amérique, Caisse de dépôt et placement du Québec, is an outside and unrelated director. The Board is of the opinion that the agreements entered into between the Caisse de dépôt et placement du Québec and the Corporation do not interfere with Mr. Gagnon's ability to act in the best interests of the Corporation. Mr. Jean Guertin, Senior Advisor with Telemedia Corporation and Honorary Professor at the École des Hautes Études Commerciales, is an outside and unrelated director. Mr. H. Clifford Hatch, Jr., President and Chief Executive Officer of Aurdisyl Management Corporation, Cliffco Investments Limited and Equity Link Management Limited, is an outside and unrelated director. Mr. Michel Lessard, President of Placements Voyages Inc., and President, Club Voyages Air-Mer Inc. is an outside and unrelated director. The Board is of the opinion that the business relation between Placements Voyages Inc. and the Corporation does not interfere with Mr. Lessard's ability to act in the best interests of the Corporation. Mr. Jacques Simoneau, Group Vice-President, Investments, Fonds de solidarité (FTQ), is an outside and unrelated director. The Board is of the opinion that the agreements entered into between Fonds de solidarité des travailleurs du Québec (FTQ) and the Corporation do not interfere with Mr. Simoneau's ability to act in the best interests of the Corporation. Mr. John D. Thompson, Deputy Chairman of the Board, Montreal Trust Company, is an outside and unrelated director. The Board is of the opinion that the business relation between Montreal Trust Company and the Corporation does not interfere with Mr. Thompson's ability to act in the best interests of the Corporation. Mr. Peter G. White, Executive Vice-President of Argus Corporation, is an outside and unrelated director.

TSE Corporate Governance Guidelines	Comments
4. Nominees to the board of directors	
(a) Appointment of a committee responsible for proposing new nominees to the board	The Corporation complies with this guideline. The Corporate Governance Committee has the mandate to recommend nominees to the Corporation's Board of Directors. The Corporate Governance Committee examines the qualifications of all nominees, and has the authority to recommend candidates to fill any vacancy on the Board of Directors.
(b) Composed exclusively of outside, non-management directors, a majority of whom are unrelated	The Corporate Governance Committee is currently composed of three outside and unrelated directors, namely Mssrs. André Bisson, Benoît Deschamps and Michel Lessard, therefore the Corporation complies with this guideline. The General Counsel and the Assistant Secretary of the Corporation have coordinated the activities of this Committee, which meets at least twice a year or more, as needed.
5. Implementation of a process for assessing the effectiveness of the board of directors, its committees and individual directors	The Corporation does not comply with this guideline. The Board of Directors is of the opinion that it performs its duties effectively. Moreover, the Corporation has not, to date, deemed that a formal process need be carried out to assess the effectiveness of the Board of Directors, its committees or the contributions of its individual directors.
6. Providing orientation and education programs for new directors	The Corporation complies with this guideline. Reports and other documents regarding the business and affairs of the Corporation and its subsidiaries are given to new directors. Meetings of the Board of Directors are generally held at the principal place of business of the Corporation, although at least once a year they are also held at the head office of some of its subsidiaries, such as in Toronto or at Look Voyages S.A. in France, thereby giving directors the further opportunity to familiarize themselves with the operating activities of the Corporation and its subsidiaries.
7. Consider reducing the size of the board of directors, with a view to improving effectiveness, where necessary	The Corporation is of the opinion that its size affords a diversity of opinions and experience, while being modest enough to efficiently perform its duties. The Board of Directors provides the Corporation with a vast pool of knowledge with which to guide its strategy and operations.
8. Review of the compensation of its directors in light of risks and responsibilities	The Human Resources and Compensation Committee examines and revises the compensation of directors in order to ensure that it realistically reflects the duties and responsibilities inherent to the position of director. The Committee makes its recommendations regarding such matters to the Board of Directors. Furthermore, the Human Resources and Compensation Committee ensures that the Corporation abides by information disclosure rules enacted by securities authorities in Canada with respect to compensation. The Human Resources and Compensation Committee is currently composed of three outside and unrelated directors, namely Mssrs. Yves Graton, Jean Guertin and John D. Thompson, as well as one inside and related director, Mr. Jean-Marc Eustache. Mr. Eustache coordinates the activities of this Committee. The Human Resources and Compensation Committee meets at least three times a year or more, as needed, and is also responsible for establishing and setting up senior management compensation policies.

TSE Corporate Governance Guidelines	Comments
9. Composition of committees	The Corporation partially complies with this guideline. The Board of Directors created four committees, which it has charged with specific duties and powers necessary to help them assume their responsibilities efficiently.
(a) Committees should generally be composed of non-management directors	The Executive Committee is currently composed of four members, two of whom are inside and related directors, namely Mssrs. Jean-Marc Eustache and Philippe Sureau, and two of whom are outside and unrelated directors, namely Mssrs. Benoît Deschamps and Jean Guertin. The CEO coordinates the activities of this Committee. Although the TSE Guidelines stipulate that the executive committee should generally be composed of outside directors, a majority of whom being unrelated, the Guidelines do acknowledge that the committee can include inside directors. Hence, the Corporation considers that the two internal and related directors who are members of the Executive Committee are able to act and do, in actual fact, act in the best interests of the Corporation and its shareholders. The very nature of the Corporation's activities make it appropriate to staff the Executive Committee with members who are evolving or have evolved within all areas of the travel industry (travel agents, tour operators and air carriers). The Executive Committee meets at least three times a year or more, as needed, and its role is to act between meetings of the Board of Directors, in the place and stead thereof. The Executive Committee is vested with all powers of the Board of Directors, subject, however, to the provisions of the *Canada Business Corporations Act R.S.C. (1985), c. C-44*. Members of the Executive Committee specifically ensure that corporate objectives set out by the Corporation in its strategic plan are met, review monthly financial statements and discuss budget variances.
(b) The majority of committee members should be unrelated	The Audit Committee (see Subparagraph 13 (a) below), is composed of three outside and unrelated directors, namely Mssrs. André Bisson, Benoît Deschamps and John D. Thompson, whereas the Human Resources and Compensation Committee (see Paragraph 8 above), is currently composed of three outside and unrelated directors, and one inside and related director. As for the Corporate Governance Committee, it is currently composed of three outside and unrelated directors, namely Mssrs. André Bisson, Benoît Deschamps and Michel Lessard. (See introductory paragraph and Paragraph 10 below.)
10. Responsibility for the approach to corporate governance issues	The Corporation complies with this guideline. The Corporate Governance Committee is charged with developing policies and implementing procedures related to corporate governance issues. This Committee, amongst other things, reviews the mandates of the Board of Directors and its committees, and recommends the approval of corporate governance policies. It also recommends Board of Director nominees, and ensures that the Corporation complies with all information disclosure rules enacted by the TSE and Canadian securities commissions regarding corporate governance.
11. Define limits to management's responsibilities and develop corporate objectives which the CEO is responsible for meeting	The Corporation complies partially with this guideline. The Corporation has created four committees (Executive Committee, Audit Committee, Human Resources and Compensation Committee, Corporate Governance Committee) which it has entrusted and vested with specific duties and powers to help the Board of Directors assume its responsibilities efficiently. Moreover, although the Corporation has not established any formal policy limiting management's responsibilities, it is common practice for management to submit any material or falling outside the normal course of business issues to the Board of Directors. The Human Resources and Compensation Committee is responsible for evaluating the performance of the CEO, and together they develop corporate objectives which the CEO is expected to meet.

TSE Corporate Governance Guidelines	Comments
12. Establish structures and procedures to enable the board of directors to function independently of management	Mr. Jean-Marc Eustache serves both as Chairman of the Board and CEO of the Corporation, given that he is the founder of the Corporation and is involved in management of the day-to-day operations thereof. At this time, the Board of Directors has no intention of separating the duties of Chairman and CEO. The Board is of the opinion that it can function independently without going so far as to separate these duties, seeing as it is composed of a majority of outside and unrelated directors, and that three Board committees, more specifically the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee, actively ensure that the Board carries out its duties. Mr. Eustache is not a member of any of these committees, with the exception of the Human Resources and Compensation Committee. The Corporation therefore believes that it substantially complies with this guideline, especially as outside directors have direct and unlimited access to all members of senior management as well as to the external auditors of the Corporation, and can meet as needed without inside directors or without management. Where applicable, the Board can authorize individual directors to retain the services of an outside advisor at the Corporation's expense
13. The audit committee should be composed only of outside directors	The Corporation complies with this guideline since, as mentioned previously, the Audit Committee is entirely composed of outside and unrelated directors. The Audit Committee meets at least four times a year, more when necessary, and maintains relations with the external auditors of the Corporation, meeting with them annually without management being present. The Vice-President, Finance and Administration and Chief Financial Officer coordinates the activities of this Committee, which reviews the Corporation's quarterly and annual financial statements, along with any other financial document requiring public disclosure, and ensures that the Corporation disposes of accounting systems that specifically allow it to draw up financial statements in accordance with generally accepted accounting principles.
14. Implement a system to enable a director to retain the services of an outside advisor at the expense of the corporation	The Corporation partially complies with this guideline. Although no particular system has been implemented to enable an individual director to retain the services of an outside advisor at the expense of the Corporation, committees have had access to outside consultants at the expense of the Corporation, where necessary. As mentioned above, the Board may, where required, authorize individual directors to retain the services of an outside advisor at the expense of the Corporation.

NOTE A : Within the meaning of the TSE Report, an "unrelated" director is a director who is independent from management and who 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 in the best interests of the corporation, other than interests or relationships arising from shareholding. An outside director is a director who is neither an officer or employee of the corporation or one of its subsidiaries.

NOTE B : The TSE Guidelines define a "significant shareholder" as a shareholder with the ability to exercise a majority of the votes for the election of the board of directors. No shareholder exercises the majority of the votes for the election of the Board of Directors.

NORMAL-COURSE ISSUER BID

On October 29, 2000, the Corporation obtained the approval of the Toronto Stock Exchange to extend its normal-course issuer bid. Accordingly, the Corporation is authorized to redeem, from time to time, a maximum of 2,283,243 additional common shares, representing approximately 10% of its public float as at October 20, 2000. The common shares will be redeemed for cancellation by the Corporation. The common shares may be redeemed by the Corporation until October 29, 2001, notwithstanding the fact that the Corporation may terminate the issuer bid at any time. The price which the Corporation will pay for the common shares acquired will be equal to the market price in effect at the time of the acquisition.

Management of the Corporation considers that the share redemptions it may effect from time to time in connection with this bid are in the best interests of the Corporation and its shareholders. The amount of such redemptions of common shares will depend, inter alia, on the market price and the impact of the redemptions on the Corporation's working capital. The shareholders of the Corporation may obtain a free copy of the notice of the issuer bid filed with the regulatory authorities by forwarding a written request for same to the attention of the Corporate Secretary.

ADDITIONAL DOCUMENTS

The Corporation is a reporting issuer in the various provinces of Canada and is required to file its financial statements and Management Proxy Circular with each of the securities commissions of these provinces. The Corporation also files an annual information form yearly with the same commissions. Copies of the annual information form, the proxy circular and the financial statements may be obtained upon request made to the Corporate Secretary. The Corporation may charge a reasonable fee if the request is made by a person who is not a shareholder of the Corporation, unless the Corporation is in the course of a distribution of its securities pursuant to a short-form prospectus, in which case these documents will be provided free of charge.

APPROVAL OF THE MANAGEMENT PROXY CIRCULAR

The content and the sending of this Management Proxy Circular have been approved by the directors of the Corporation.

Montréal, February 20, 2001

BY ORDER OF THE BOARD OF DIRECTORS

Bernard Bussières (signed)
Vice-President, General Counsel and Corporate Secretary

Schedule "A"

2000

At the Meeting, the shareholders will be called upon to approve the following resolution:

BE IT RESOLVED:

THAT the amendment made to the Share Purchase Plan with respect to common shares for the benefit of employees and executives (the "Plan") increasing the maximum number of common shares that may be issued pursuant to the Plan by 1,000,000 common shares (including additional subscriptions of shares, subject to a maximum of 125,000 common shares mentioned hereunder), thereby increasing the maximum number of common shares that may be issued pursuant to the Plan to 1,075,285, be, and it is, hereby approved;

THAT additional subscriptions of shares by participants under the Plan in excess of the 75,285 common shares available under the Plan for the purposes of the February 2001 subscription period, subject to a maximum amount of 125,000 common shares be, and they are hereby, approved and ratified.

THAT any director or officer of the Corporation be, and he or she is, hereby authorized to sign and deliver any document, do anything and take any action he or she may deem necessary or merely useful to give effect to this resolution, the signing of any other document of such nature, or the performance of any action of this type being deemed conclusive evidence of said determination.