

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual and Special Meeting of Shareholders of Gentra Inc. (the "Corporation") will be held in the Glenn Gould Studio, 250 Front Street West, Toronto, Ontario, on Monday, May 25, 1998, at 10:00 a.m. (Toronto time) for the following purposes:

1. to consider, and if thought fit, to pass a resolution approving amendments to the Corporation's share option plan and the amendment of all outstanding share options to reflect the terms of the amended share option plan, all as described in the attached Management Proxy Circular;
2. to receive the consolidated financial statements for the year ended December 31, 1997 and the report of the auditor contained in the annual report accompanying this notice;
3. to appoint Deloitte & Touche as auditor and authorize the directors to fix the remuneration of the auditor;
4. to elect directors; and
5. to transact any other business which may properly come before the meeting.

A copy of this notice, the attached Management Proxy Circular and the annual report are being sent to each director, each shareholder entitled to receive notice of the meeting and the auditor.

BY ORDER OF THE BOARD,

Kieran F. Mulroy
Senior Vice-President, General
Counsel & Corporate Secretary

Dated this 16th day of April, 1998.

Attached: Management Proxy Circular
Enclosed: Form of Proxy and return envelope (for common shareholders only)
1997 Annual Report

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CORPORATE INFORMATION

Executive and Registered Office:

70 York Street, Suite 1400
Toronto, Ontario
M5J 1S9

Tel: (416) 359-8555
Fax: (416) 359-8596

Transfer Agent and Registrar:

CIBC Mellon Trust Company
Montreal, Toronto,
Calgary and Vancouver

Shareholder Inquiries:

Answer Line:1-800-387-0825
(toll free in continental
North America)

(416) 643-5500
collect, elsewhere

MANAGEMENT PROXY CIRCULAR

This Management Proxy Circular ("Circular") is furnished in connection with the solicitation of proxies by management of Gentra Inc. ("Gentra" or the "Corporation") to be used at the Annual and Special Meeting of Shareholders (the "Meeting") of Gentra called for May 25, 1998 at the time and place and for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders accompanying this Circular and at all adjournments of the Meeting.

The information given in this Circular, unless otherwise stated, is as at April 16, 1998.

AVAILABILITY OF DISCLOSURE DOCUMENTS

The Corporation will provide to any person or company, upon request to the Corporate Secretary at its executive office, a copy of

- i) its latest Annual Information Form together with one copy of any document, or pertinent pages of any document, incorporated therein by reference, filed with the Ontario Securities Commission;
- ii) its Comparative Financial Statements filed under the *Securities Act* (Ontario) for 1997, together with the report of its Auditor thereon and Management's Discussion and Analysis of Financial Condition and Results of Operations, all contained in its 1997 Annual Report and the interim financial statements of the Corporation for periods subsequent to the end of the Corporation's last fiscal year; or
- iii) this Circular.

SOLICITATION OF PROXIES

The solicitation of proxies by the Corporation will be primarily by mail but proxies may be solicited by other means of delivery or in person or by telephone by regular employees of the Corporation or its subsidiaries, or by CIBC Mellon Trust Company, its transfer agent. The solicitation of proxies from non-registered shareholders will be carried out by intermediaries, or by the Corporation or its transfer agent if the names and addresses of non-registered shareholders are provided by such intermediaries (see "Non-Registered Holders"). **The solicitation of proxies by this Circular is being made by or on behalf of Management of the Corporation.** The total cost of the solicitation will be borne by the Corporation.

APPOINTMENT OF PROXY

The persons named in the enclosed form of proxy are Directors and Officers of the Corporation. **A shareholder desiring to appoint some other person (who need not be a shareholder, director or an officer) to represent the shareholder at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy.** The shareholder may direct that the shareholder's shares be voted for, or against, or be withheld from voting on matters specified in the proxy, by marking the form of proxy as appropriate.

To be valid, a proxy must be executed legibly by a registered shareholder, as registered. A proxy executed by a registered shareholder which is a corporation must be properly executed. Evidence of authority to sign, satisfactory to the Corporation, may be filed with such proxy or may be requested by the Corporation or by CIBC Mellon Trust Company, prior to accepting such proxy for use at the Meeting. Properly executed forms of proxy must be deposited no later than 48 hours preceding the Meeting or any adjournments thereof, with CIBC Mellon Trust Company, P.O. Box 12005, Stn Brm B, Toronto, Ontario M7Y 2K5, or, if delivered by hand, to 200 Queen's Quay East, Unit 6, Toronto, Ontario, M5A 4K9, Attention: Proxy Department.

NON-REGISTERED HOLDERS

Only registered holders of common shares of the Corporation, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, common shares of the Corporation beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- A. in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- B. in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Policy Statement No. 41 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Proxy Circular, the Form of Proxy, the 1997 Annual Report (which includes management's discussion and analysis) (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- A. be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with CIBC Mellon Trust Company as described above; or
- B. more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives either form of proxy, a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the proxy authorization form is to be delivered and their service companies.

RIGHT OF REVOCATION

A registered shareholder who has given a proxy may revoke the proxy by (a) completing and signing a proxy bearing a later date and depositing it with CIBC Mellon Trust Company as described above; or (b) under section 148(4) of the *Canada Business Corporations Act* (the "CBCA") by instrument in writing properly executed by such shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used or any adjournments thereof, or depositing such an instrument with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournments thereof, or in any other manner permitted by law.

A non-registered shareholder may revoke a voting instruction form or a waiver of the right to receive documents and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive documents and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING OF PROXIES

The management representatives designated in the enclosed form of proxy will vote, vote against or withhold from voting the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such direction, such shares will be voted by the management representatives for the amendments to the Corporation's share option plan and outstanding share options, for the election of directors and for the appointment of auditors as indicated under those headings in this circular.**

Proxies in favour of Management confer discretionary authority upon the management representatives in the Form of Proxy with respect to amendments to matters identified in the Notice of Annual and Special Meeting of Shareholders or other matters that may properly come before the Meeting and will be voted in accordance with the best judgment of the person voting the proxy. Management knows of no such amendments or other matters to come before the Meeting.

BENEFICIAL OWNER OF COMMON SHARES

Brookfield Properties Corporation ("Brookfield") has advised the Corporation that it owns beneficially 86,003,694 common shares of the Corporation representing approximately 44% of the common shares outstanding. To the knowledge of the Directors and Officers of the Corporation, no other person beneficially owns, directly or indirectly, or exercises control or direction over common shares carrying more than 10% of the votes attached to such common shares. The registered and executive office address of Brookfield is Suite 4440, 181 Bay Street, Toronto, Ontario.

RECORD DATE AND SHARES ENTITLED TO BE VOTED

The Corporation has outstanding 197,455,141 common shares and 6,823,500 options which may be exercised to purchase a like number of common shares. Subject to the right to cumulate votes attached to common shares in the election of Directors, and to the CBCA, holders of the outstanding common shares included on the list of registered shareholders as at the close of business on April 16, 1998, the record date for the Meeting, will be entitled to one vote for each common share held by them.

To the extent holders of common shares transfer ownership of any of their shares after April 16, 1998 and the transferees produce properly endorsed share certificates or otherwise establish that they own the shares and demand, before the commencement of the Meeting, that they be included on the list of shareholders entitled to vote, the transferees will be entitled to vote such transferred shares at the Meeting.

APPROVAL OF MATTERS AT MEETING

The Chairman of the Meeting may conduct the vote on any matter by a show of hands of shareholders and proxyholders present at the Meeting and entitled to vote thereat unless a ballot is demanded by a shareholder present at the Meeting or by a proxyholder entitled to vote at the Meeting or unless the Chairman declares that proxies representing not less than 5% of the shares entitled to be voted at the Meeting would be voted against what would otherwise be the decision of the Meeting on such matter.

Proxies in favour of Management will be voted on any ballot that may be called for and where instructions are given with respect to a particular matter to be acted upon such proxies will be voted in accordance with

such instructions. **If no instructions are given with respect to the particular matters to be acted upon, such proxies will be voted in favour of the matters listed on the proxy.** A simple majority of the votes cast either in person or by proxy on any matter voted upon at the Meeting is sufficient to carry such matter, except that, in respect of the amendment to the share option plan and outstanding share options, the common shares beneficially owned by insiders to whom options have been or may be granted under the share option plan are excluded from voting, and in respect of the election of directors by holders of common shares, voting is cumulative.

Under cumulative voting, each holder of common shares entitled to vote at an election of Directors has a right to cast a number of votes equal to the number of votes attached to the shares held by such shareholder, multiplied by the number of Directors to be elected by the holders of common shares, and such shareholder may cast all such votes in favour of one candidate or distribute them among the candidates in any manner. Where a shareholder has voted for more than one candidate without specifying the distribution of votes among such candidates, the shareholder shall be deemed to have divided the votes equally among the candidates for whom such shareholder voted. If a shareholder desires to distribute votes otherwise than equally among the nominees for whom such shareholder has directed persons in the enclosed form of proxy to vote, such shareholder must do so personally at the Meeting, or by another form of proxy. **On any ballot that may be called for the election of Directors by the holders of common shares, the persons named in the enclosed Form of Proxy intend to cast the votes to which the shares represented by such proxy are entitled equally among all the proposed nominees whose names are set forth in the table under "Election of Directors" on page 7 below, except those, if any, excluded by the shareholder in the proxy, or unless the shareholder who has given such proxy has directed that the shares be withheld from voting in the election of Directors.**

MATTERS FOR CONSIDERATION AT MEETING

AMENDMENT TO THE SHARE OPTION PLAN AND OUTSTANDING SHARE OPTIONS

On April 16, 1998, the Board approved amendments to the Corporation's share option plan (the "Plan"), subject to regulatory and shareholder approval. The amendment requiring shareholder approval adds a market growth feature to provide an alternative method of exercising vested share options. The principal benefit of adding the market growth feature will be to reduce the dilutive effect of the Plan.

Summary of the Plan

The Plan was established by the Board of Directors on March 8, 1984. Its purpose is to advance the interests and development of the Corporation by providing officers or employees of the Corporation or its subsidiaries and directors of the Corporation with increased incentives to contribute to the success of the Corporation.

The terms, conditions and limitations of each option granted under the Plan are determined by the Board of Directors, within certain limitations in accordance with the policies of The Toronto Stock Exchange (the "TSE"). The Board of Directors may, from time to time in its discretion, grant options to eligible persons at a fixed exercise price (the "Exercise Price"). The Exercise Price of an option is equal to the closing price of common shares on the TSE on the last trading day preceding the date of grant. An option may be for a term of not more than 10 years and may be assigned by the optionholder ("Participant") to the Participant's spouse, a trust, the trustee of which is the Participant and the beneficiaries of which are one or more of the Participant and the Participant's spouse and children, or a corporation controlled by the Participant. Notwithstanding a permitted assignment under the Plan, an assigned option shall be deemed, for the purposes of applying the rules of the TSE, held by the Participant to whom it was originally granted. Upon exercise of a vested option under the Plan and upon payment to the Corporation of the Exercise Price, Participants receive a common share. Common shares underlying options that are not exercised, or are cancelled, are then available for subsequent option grants.

The aggregate number of common shares issuable under Plan may not exceed 16,383,861, subject to certain adjustments in the event of the subdivision, consolidation or reclassification of the common shares,

the payment of share dividends or other equivalent changes to the capital of the Corporation. As at the date hereof, 9,212,500 options have been exercised and 6,823,500 options to acquire common shares remain outstanding under the Plan.

Amendment to the Plan

The market growth feature will permit Participants, rather than exercising an "in-the-money" option, to receive an amount (the "growth amount") equal to the difference between the market price of the common shares underlying the options and the Exercise Price of the option, which growth amount will be payable either in cash or by the issuance by the Corporation to the Participant of a number of common shares calculated by dividing the growth amount by the market price of the underlying common shares. Where a Participant elects to exercise an option using the market growth feature and receives common shares, the market price of the shares received is equal to the weighted average trading price of common shares on the TSE on each of the three trading days immediately preceding the exercise of the option.

Amendments to Outstanding Options

The Board of Directors also approved corresponding amendments to all outstanding options, subject to regulatory and shareholder approval. All other terms and conditions of each outstanding option (including the exercise price, vesting provisions and expiration date) will remain unchanged.

Shareholder Approval

The TSE requires shareholder approval of the amendments to the Plan to add the market growth feature and the corresponding amendment to outstanding options. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought advisable, to pass a resolution in the form of the resolution attached as Schedule A to this Management Proxy Circular approving the amendment to the Plan to add the market growth feature and the corresponding amendment to outstanding options. In order to be effective, this resolution must be approved by a majority of the votes cast by the holders of common shares present or represented at the Meeting by proxy, excluding votes attached to common shares beneficially owned by insiders to whom options have been or may be granted under the Plan and their associates. To the knowledge of the Corporation, approximately 109,439 votes will not be counted in the vote on this resolution. If this resolution is not passed, the aforementioned amendments to the Plan and corresponding amendments to all outstanding options will not be effective.

The persons designated in the enclosed form of proxy, unless otherwise directed, intend to vote in favour of the resolution approving the amendments to the Plan and corresponding amendments to all outstanding options.

APPOINTMENT OF AUDITOR

Management proposes that Deloitte & Touche, Chartered Accountants of Toronto, Ontario, be re-appointed as auditor of the Corporation and that the Directors be authorized to fix the remuneration of the auditor. Deloitte & Touche have served as auditors of Gentra since 1996.

ELECTION OF DIRECTORS

Eleven directors will be elected at the Annual and Special Meeting of Shareholders by the holders of common shares. The persons listed in the table below are the nominees proposed by the Board of Directors for election by holders of common shares as Directors of the Corporation to hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director but, if that should occur for any reason before the Meeting, the management representatives designated in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

The table below lists the nominees for Director, together with their principal occupations, their dates of first election as Directors and the numbers of shares beneficially owned, directly or indirectly, or over which control or direction is exercised by such nominees:

	Name & Municipality of Residence	Position with Gentra and Principal Occupation	Year first elected a director	Shares (1)
1.	GORDON E. ARNELL Calgary, Alberta	Chairman of the Board, Gentra Inc. and Chairman and Chief Executive Officer, Brookfield Properties Corporation (office property company)	1993	1,000
2.	DAVID D. ARTHUR ⁽²⁾⁽³⁾ Toronto, Ontario	President and Chief Executive Officer, Gentra Inc.	1998	20,000
3.	PETER A. CROSSGROVE ⁽³⁾ Toronto, Ontario	Chairman, Premdor Inc. (manufacturing company)	1993	10,000
4.	THE HONOURABLE J. TREVOR EYTON Caledon, Ontario	Senior Group Chairman, EdperBrascan Corporation (natural resources, financial services and power generating companies), and Member of the Senate of Canada	1983 ⁽⁴⁾	25,000
5.	THE HONOURABLE WILLIAM G. DAVIS Toronto, Ontario	Counsel, Tory Tory DesLauriers & Binnington	n/a	None
6.	FRASER M. FELL ⁽³⁾ Toronto, Ontario	Honourary Chairman, Gentra Inc.	1969	2,439
7.	J. BRUCE FLATT ⁽⁵⁾ Toronto, Ontario	President and Chief Operating Officer, Brookfield Properties Corporation (office property company)	1996	1,000
8.	GEORGE F. MICHALS ⁽³⁾⁽⁵⁾ Orangeville, Ontario	President, Baymont Capital Resources Inc. (investment and business development company)	1993	50,000
9.	GEORGE E. MYHAL ⁽⁵⁾ Toronto, Ontario	President and Chief Executive Officer, Trilon Financial Corporation (financial services company)	1993	None
10.	HEATHER M. REISMAN ⁽⁶⁾ Toronto, Ontario	President and Chief Executive Officer, Indigo Books & Music, Inc. (book retailer)	n/a	None
11.	NEIL R. WOOD ⁽³⁾ Newmarket, Ontario	Corporate Director	1995	None

Notes:

(1) *Common shares.*

(2) *Mr. Arthur was President and Chief Executive Officer of Brookfield Commercial Properties Ltd. from 1994 to 1997, and Senior Vice President and Chief Operating Officer of that Company from 1992 to 1993.*

(3) *In addition to owning the common shares reflected in the above table, Mr. Fell has 1,650,000 options available for exercise. Msrs. Wood, Michals and Crossgrove have 150,000, 100,000 and 200,000 options available for exercise, respectively while Mr. Arthur has 150,000 options of which 30,000 are available for exercise.*

(4) *Senator Eyton first served as a director of the Corporation from 1983 to 1993; he was then re-elected to the Board in 1995.*

(5) *Member of the Audit Committee.*

(6) *Heather Reisman was the Managing Director of Paradigm Consulting Inc. to June of 1992. In July of 1992 she became President of Cott Corporation until October, 1994 at which time she became President of Now Foods Inc. She assumed her current position in January of 1996.*

DIRECTORS' COMPENSATION

The Board of Directors currently consists of 10 members who each receive a retainer of \$15,000 per annum and a fee of \$1,000 per board or committee meeting attended. Committee Chairmen receive an additional \$5,000 per annum to reflect their substantial commitment of time and experience.

In 1997, the directors of the Corporation received an aggregate of \$264,000 in retainer and attendance fees.

EXECUTIVE OFFICERS' COMPENSATION

COMPOSITION AND MANDATE OF THE NOMINATING AND HUMAN RESOURCES COMMITTEE

The compensation of Gentra's Executive Officers is determined by the Nominating and Human Resources Committee (the "Committee") whose mandate is to consider and make recommendations to the Board on all human resources issues, including compensation, succession planning, performance appraisals and development of Executive Officers and compensation of the Chief Executive Officer.

None of the current Committee members is or was an officer of Gentra or any of its subsidiaries, other than the Hon. J. Trevor Eyton who was former Chairman and Deputy Chairman of the Corporation. The Committee members during 1997 were the Hon. J. Trevor Eyton as Chairman, and Messrs. Peter A. Crossgrove, George F. Michals and George E. Myhal.

REPORT ON EXECUTIVE COMPENSATION

During 1997, the Committee set compensation in accordance with a comprehensive compensation plan applicable to all Gentra's employees including its Executive Officers. The most material principles of that plan are reflected in the following disclosure. The Committee reviewed that plan again in early 1998 at the time of conducting a review of 1997 performance and corresponding compensation.

The Corporation's approach to compensation reflects the current circumstances and market environment in which the Corporation carries on business. The compensation policies of the Corporation have evolved to reflect the Corporation's business as a real estate investment company. The Corporation's compensation plan focuses on promoting the long term interests of Gentra's equity holders and is designed to attract, motivate and retain the highest calibre of employees.

The Corporation's approach to compensation can be best described by reference to the different categories of employees and the general compensation principles as they relate to these categories.

As a general statement, Gentra's employees fall into three categories:

- The first category consists of administrative support personnel who are compensated based on prevailing market rates. These employees perform an important administrative function and are eligible for market-driven increases in salary on an annual basis. In addition, certain of these employees were rewarded with a performance based bonus for 1997.
- The next category of employees is comprised of financial analysts, accounting and operations personnel who provide services and support to the Corporation's general business undertakings. The compensation for these employees is based on industry norms. In addition, they are eligible for annual performance based bonuses.
- The third category is the senior executives who are compensated with a compensation package consisting of a base salary, bonuses and share options. Bonuses are paid if pre-determined goals and

standards have been achieved. Share options are also used as a component of compensation and are granted based on the achievement of performance objectives.

The Committee and Board of Directors establish base salaries for Gentra's Executive Officers based on market conditions and an assessment of Gentra's particular circumstances and results. Annual bonuses are determined at the end of each fiscal year in the discretion of the Board of Directors after receiving a recommendation from the Committee. Bonus payments are measured against a broad range of performance targets based on the Corporation's business objectives. In setting compensation, the Board of Directors and Committee are guided by the success of the Executive Officers in meeting these pre-determined targets and in enhancing the value of the Corporation.

Share options are considered to be an important element of executive compensation. The Corporation believes that employee share option plans align the interests of employees with those of shareholders. The Committee and Board have granted options to Gentra's Executive Officers on the basis of an assessment of the compensation package that would best motivate the Executive Officers to enhance the value of Gentra's equity. The Corporation has adopted a policy of considering on an annual basis the awarding of common share options, where merited.

The Committee and Board of Directors apply the principles described above in establishing the compensation for the Chief Executive Officer. In addition to those principles, the Committee and the Board assessed other considerations such as his ability to maintain an effectively functioning senior management team.

The Corporation has entered into employment agreements with Gentra's Executive Officers to provide them with compensation in the event of termination of employment without cause, by reason of constructive dismissal or in the event of a change of control transaction. Mr. Mulroy is entitled to be paid 24 months salary for termination without cause, constructive dismissal or in the event of a change of control transaction. In the event of termination of employment without cause, Messrs. Newman and Sabat are entitled to 12 months salary while Mr. Broughton is entitled to 6 months.

Submitted by the Nominating and Human Resources Committee of the Board of Directors:

Hon. J. Trevor Eyton
Peter A. Crossgrove
George F. Michals
George E. Myhal

The following Summary Compensation Table details compensation information for the Executive Officers for the three fiscal years ended December 31, 1997:

SUMMARY COMPENSATION TABLE

<i>Name and Principal Position</i>	<i>Year</i>	<i>Annual Compensation</i>		<i>Long-Term Compensation Awards Securities Under Options Granted (#)</i>	<i>All Other Compensation (\$)⁽¹⁾</i>
		<i>Salary (\$)</i>	<i>Bonus (\$)</i>		
F. M. FELL Chairman of the Board	1997	250,000	nil	nil	27,505
	1996	250,000	nil	nil	27,535
	1995	250,000	125,000	150,000	27,331
J. B. WALKER ⁽²⁾ President and CEO	1997	250,000	125,000	155,000	29,536
	1996	235,000	117,500	nil	27,986
	1995	215,000	107,500	150,000	25,166
M. FREUND Former President and CEO	1997	102,800	nil	nil	621,988 ⁽³⁾
	1996	250,000	125,000	nil	28,901
	1995	234,000	125,000	200,000	26,946
M. H. NEWMAN Executive Vice President	1997	200,000	100,000	115,000	23,087
	1996	175,000	125,000	150,000	11,477
	1995	175,000	130,000	250,000	11,307
K. F. MULROY Senior Vice President and General Counsel	1997	185,000	92,500	100,000	22,556
	1996	165,000	82,500	100,000	12,069
	1995	150,000	100,000	75,000	11,319
N. G. SABAT Senior Vice-President, Real Estate	1997	185,000	92,500	105,000	23,571
	1996	175,000	87,500	75,000	13,986
	1995	146,000	74,550	100,000	12,012
T. BROUGHTON Vice President	1997	200,000	75,000	95,000	13,459
	1996 ⁽⁴⁾	166,500	147,200	150,000	5,596
	1995 ⁽⁴⁾	172,500	70,200	nil	nil

Notes:

- (1) *These amounts reflect contributions to a group RRSP and insurance benefit premiums.*
- (2) *In February of 1998, Mr. Walker resigned as C.E.O. and Director of the Corporation and consistent with the terms of his employment agreement, he was paid accrued 1998 salary and bonus of \$54,450 plus a termination payment equal to \$602,074.*
- (3) *In May of 1997 a termination payment of \$607,777 was made to Mr. Freund consistent with the terms of his employment agreement.*
- (4) *In June of 1996 Mr. Broughton became a full-time employee of the Corporation. Prior to that, he was a consultant to the Corporation. The amounts shown for part of 1996 and for all of 1995 include fees paid to Mr. Broughton by the Corporation as a consultant.*

OPTIONS

On February 4, 1997 the Board of Directors awarded options to certain of Gentra's Executive Officers to purchase common shares as indicated in the chart below. For a discussion of principles guiding the Committee and Board in deciding on option awards, please refer to the section entitled "Executive Officers' Compensation" above.

OPTION GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

<i>Name</i>	<i>Securities Under Options Granted</i>	<i>% of Total Options Granted to Employees in Financial Year</i>	<i>Exercise or Base Price (\$/Security)</i>	<i>Market Value of Securities Underlying Options on the Date of Grant (\$/Security)</i>	<i>Expiration Date</i>
J. B. WALKER	155,000	9	2.70	2.70	Feb. 4, 2002
M. H. NEWMAN	115,000	7	2.70	2.70	Feb. 4, 2002
K. F. MULROY	100,000	6	2.70	2.70	Feb. 4, 2002
N. G. SABAT	105,000	6	2.70	2.70	Feb. 4, 2002
T. BROUGHTON	95,000	6	2.70	2.70	Feb. 4, 2002

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

<i>Name</i>	<i>Securities Acquired on Exercise (#)</i>	<i>Aggregate Value Realized (\$)</i>	<i>Unexercised Options at December 31, 1997 (#)</i>		<i>Value of Unexercised in-the-Money Options at December 31, 1997 (\$)⁽¹⁾</i>	
			<i>Exercisable</i>	<i>Unexercisable</i>	<i>Exercisable</i>	<i>Unexercisable</i>
F.M. FELL	507,800	1,911,592	1,650,000	0	7,693,500	0
J. B. WALKER	244,000	656,680	881,000	124,000	3,971,550	316,200
M. W. FREUND	1,096,100	3,249,507	104,200	0	413,674	0
M. H. NEWMAN	418,800	948,984	0	182,000	0	528,900
K. F. MULROY	25,000	64,000	160,000	140,000	597,300	400,400
N. G. SABAT	87,300	253,024	173,700	129,000	655,567	361,350
T. BROUGHTON	0	0	79,000	166,000	244,650	488,100

(1) The common share price upon which these amounts are calculated was the closing price on December 31, 1997 of \$5.25

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During 1997, a directors' and officers' liability insurance policy in favour of directors and officers of the Corporation and subsidiaries was in place.

The policy provides for a limit of liability of \$25 million per loss and per policy year. The policy was purchased for an annual premium of \$139,000.

ACTION BY RAYMOND BUDD

The Regulations to the CBCA require disclosure in the Corporation's proxy circular of any action brought against the Corporation pursuant to section 241 of the CBCA. In that regard, Raymond Budd brought an action against Gentra, certain of its current and former officers and directors and others seeking relief under the provisions of that section of the CBCA. The action relates to the period of time before the Corporation's 1993 Plan of Arrangement was implemented and is based on claims made by Mr. Budd regarding the management of the former Royal Trustco business and the disclosure of its financial condition. Since the action commenced, the only material developments are that the Court has struck out the claims against the officers and directors and declined Mr. Budd's motion for interim funding and the appointment of an inspector. These decisions are currently under appeal. In 1997, Gentra paid \$51,363 in legal fees on behalf of the directors and officers named in the action. Gentra has delivered its statement of defence, denying any wrongdoing, and is vigorously defending the action.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS OF THE CORPORATION

The aggregate indebtedness due to a subsidiary of the Corporation from all current directors, executive officers, senior officers and employees of the Corporation under securities purchase programs is \$104,513. Indebtedness due to a subsidiary of the Corporation from former directors, executive officers, senior officers and employees of the Corporation under a Management Share Purchase Plan ("MSPP") put in place prior to the Corporation's reorganization under the September 1, 1993 Plan of Arrangement is \$73,196,114. Approximately \$55 million of that indebtedness has been insured with whole life insurance policies on the lives of the debtors and accordingly will be repaid on their death. The cost of acquiring that life insurance was fully incurred in 1993.

No current or former directors, executive officers, senior officers or employees of the Corporation are indebted to the Corporation or any of its subsidiaries for indebtedness other than under securities purchase programs.

**TABLE OF INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS
AND SENIOR OFFICERS UNDER SECURITIES PURCHASE PROGRAMS**

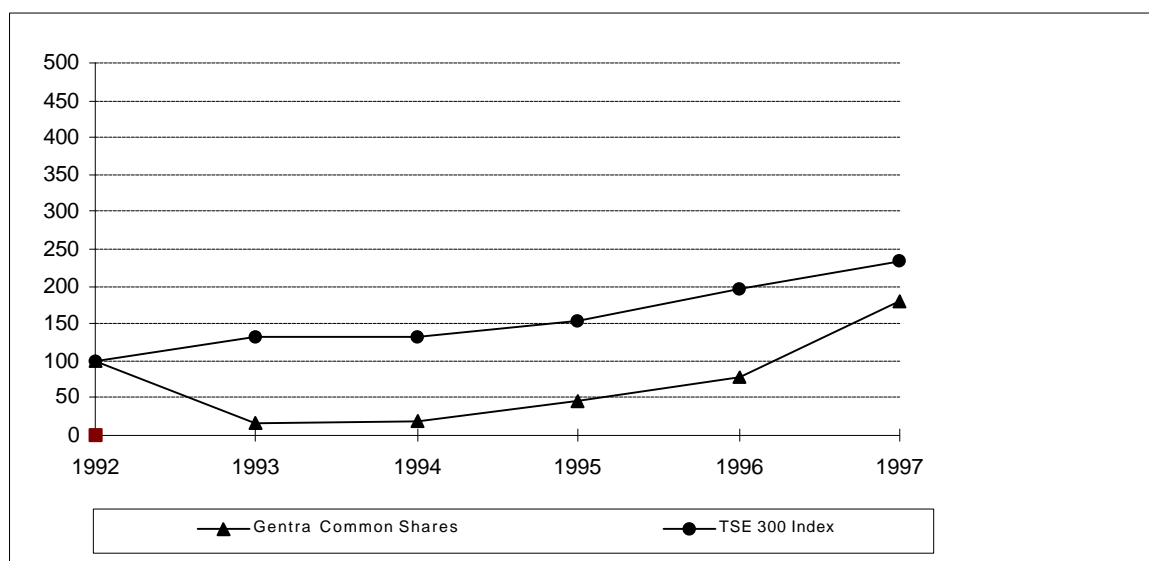
<i>Name and Principal Position</i>	<i>Involvement of Corporation or Subsidiary</i>	<i>Largest Amount Outstanding During Year ended December 31, 1997 (\$)</i>	<i>Amount Outstanding as at April 16, 1998 (\$)</i>	<i>Financially Assisted Securities Purchased During Last Completed Financial Year (#)</i>	<i>Security for Indebtedness⁽¹⁾</i>
Kieran F. Mulroy Senior Vice-President, General Counsel & Corporate Secretary	Lender	104,513	104,513	Nil	Shares purchased under the MSPP secured by a life insurance policy

(1) The Corporation's MSPP involved the extension of a loan by a subsidiary of the Corporation to facilitate the purchase of common shares of the Corporation. The loan bears interest at the rate of common share dividends declared by the Corporation. The loan will fall due on the earlier of the date of death of the participant and any 10 year anniversary from September 1, 1993 to September 1, 2063 on which the market value of the MSPP shares equals or exceeds the original purchase price. The Corporation has purchased a whole life insurance policy to fund repayment of the loan on death.

SHAREHOLDERS' RETURN PERFORMANCE GRAPH

The chart below compares the yearly change in the Corporation's cumulative total shareholders' return on the Corporation's common shares against the cumulative total shareholders' return of the TSE 300 Total Return Index for the five years commencing January 1, 1993 and ending December 31, 1997 (the "Index Return"). The chart is based on the assumption that \$100 was invested in the Corporation's common shares and in the TSE 300 Total Return Index on December 31, 1992 and that dividends were reinvested.

**COMPARISON OF 5-YEAR CUMULATIVE
TOTAL SHAREHOLDER RETURN ON COMMON SHARES OF THE CORPORATION
AND THE TSE 300 TOTAL RETURN INDEX**



Royal Trust/Gentra Inc.	1992	1993	1994	1995	1996	1997
Gentra Common shares	100	15	19	45	78	179
TSE 300 Index	100	133	132	152	195	234

APPROVAL BY BOARD OF DIRECTORS

The Board of Directors of the Corporation has approved the contents and the sending of this Management Proxy Circular to the shareholders.

By order of the Board of Directors,

Kieran F. Mulroy
Senior Vice-President, General Counsel
and Corporate Secretary
Toronto, Ontario
April 16, 1998

SCHEDULE A
TO THE
MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

Amendment To The Share Option Plan And Outstanding Options

BE IT RESOLVED THAT:

1. the share option plan of the Corporation (the "Plan") and all outstanding options under the Plan be amended, as described in the accompanying Management Proxy Circular; and
2. any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable to carry out the intent of this resolution.