

GENTRA

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that a Special Meeting of Shareholders of Gentra Inc. (the "Corporation") will be held at The Toronto Stock Exchange Conference Centre Auditorium, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Tuesday, December 15, 1998, at 10:00 a.m. (Toronto time) for the following purposes:

1. to consider and, if thought fit, to pass a special resolution authorizing the amendment of the Articles of the Corporation to create a new class of non-voting equity shares and to amend the rights attaching to the common shares to provide, among other things, for the conversion of common shares, at the option of the holder, into non-voting equity shares on a one-for-one basis;
2. to consider and, if thought fit, to pass a resolution of the minority shareholders of the Corporation authorizing the Corporation to issue the new class of non-voting equity shares to the public and/or list the non-voting equity shares on a stock exchange; and
3. to transact any other business which may properly come before the meeting.

A copy of this notice and the attached management proxy circular 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 20th day of October, 1998.

Attached: Management Proxy Circular

Enclosed: Form of Proxy and return envelope (for common shareholders only)

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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) 813-4600
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 a Special Meeting of Shareholders (the "Meeting") of Gentra called for December 15, 1998 at the time and place and for the purposes set forth in the Notice of 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 October 20, 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 393 University Avenue, 5th Floor, Toronto, Ontario.

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 (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 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 amendment of the Articles of the Corporation to create a new class of Non-Voting Equity Shares and add a conversion right to the common shares and to authorize the Corporation to issue the new class of Non-Voting Equity Shares to the public and/or list the Non-Voting Equity Shares on a stock exchange.**

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 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 197,562,138 common shares and 6,101,500 options which may be exercised to purchase a like number of common shares. Subject to the CBCA, holders of the outstanding common shares included on the list of registered shareholders as at the close of business on November 3, 1998, the record date for the Meeting, will be entitled to one vote for each common share held by them. Shares held by Brookfield will not be voted with respect to the resolution authorizing the Corporation to issue the new class of Non-Voting Equity Shares to the public and/or list the Non-Voting Equity Shares on a stock exchange.

To the extent holders of common shares transfer ownership of any of their shares after November 3, 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.** Approval of the resolution to amend the Articles of the Corporation to create a new class of Non-Voting Equity Shares and add a conversion right to the common shares will require the affirmative vote of two-thirds of the votes cast either in person or by proxy. Approval of the resolution to authorize the Corporation to issue the new Non-Voting Equity Shares to the public and/or list the Non-Voting Equity Shares on a stock exchange will require the affirmative vote of a majority of the votes cast either in person or by proxy by common shareholders other than Brookfield.

MATTERS FOR CONSIDERATION AT MEETING

AMENDMENT OF ARTICLES TO CREATE A NEW CLASS OF NON-VOTING EQUITY SHARES AND TO ADD A CONVERSION RIGHT TO THE COMMON SHARES

Shareholders are asked to pass a resolution in the form attached as Schedule A to this Management Proxy Circular authorizing an amendment to the Articles of the Corporation to create a new class of Non-Voting Equity Shares (the "Non-Voting Equity Shares") and to amend the rights, privileges, restrictions and conditions attaching to the common shares to provide, among other things, for the conversion of common shares, at the option of the holder, into Non-Voting Equity Shares on a one-for-one basis (the "Capital Reorganization"). Following the amendment to the Articles of the Corporation, the common shares and Non-Voting Equity Shares will have the attributes set out in Schedule B to this Management Proxy Circular.

Approval of the resolution will require the affirmative vote of two-thirds of the votes cast. If the resolution is approved, the Corporation will file articles of amendment under the CBCA promptly following the Meeting, substantially in the form of the Articles of Amendment attached as Schedule C to this Management Proxy Circular.

The Corporation has announced its intention to commence a normal course issuer bid. Purchases of common shares by the Corporation pursuant to issuer bids could, over time, have the effect of increasing Brookfield's share of the remaining voting equity of the Corporation, which could have adverse tax consequences for the Corporation. Furthermore, acquisitions of voting equity by Brookfield could have the same effect. The Capital Reorganization, together with Brookfield's contractual commitments described below, would permit acquisitions of common shares without these consequences. After considering the alternatives and receiving appropriate advice, including financial advice, the Board of Directors of the Corporation has determined that the creation of Non-Voting Equity Shares is an appropriate means by which purchases of common shares can be facilitated without adverse consequences to the Corporation's tax position.

There is no public market for the Non-Voting Equity Shares, nor does the Corporation expect one to develop in the near term, primarily because the Corporation has no current intention to issue Non-Voting Equity Shares to the public or to list the Non-Voting Equity Shares on the Toronto Stock Exchange or the Montreal Exchange (the "Exchanges"). Unlisted securities would not ordinarily contain take-over bid provisions (commonly known as "coattails"), which would be required by the Exchanges if the securities were to be listed. Nevertheless, Brookfield, as the holder of approximately 44% of the outstanding common shares,

has agreed to enter into a trust agreement (the "Trust Agreement") with the Corporation and CIBC-Mellon Trust Company, as trustee for the benefit of the holders of the Non-Voting Equity Shares and the holders of the Common Shares, which contains such "coattail" provisions and other provisions which the Directors of the Corporation have determined will ensure that the creation of the Non-Voting Equity Shares will not provide Brookfield with any method to acquire Common Shares or Non-Voting Equity Shares in a way that it would ordinarily be restricted from doing under regulations governing publicly traded securities.

Pursuant to the Trust Agreement, Brookfield has agreed not to sell any common shares or Non-Voting Equity Shares in circumstances where applicable securities legislation would require an identical offer be made to other holders of shares of the relevant class, unless the same offer is made concurrently to the holders of Non-Voting Equity Shares and to the holders of common shares. Brookfield has also agreed that, as long as there is no published market for the Non-Voting Equity Shares, it will not acquire Non-Voting Equity Shares except through the conversion of common shares which it has previously acquired in accordance with applicable securities laws or through acquisitions which would have been permitted under applicable take-over bid rules if the Non-Voting Equity Shares had been common shares at the time of acquisition. Brookfield has indicated that, although it has no current intention to increase its equity ownership in the Corporation, it may in the future do so in appropriate circumstances and at appropriate prices. Brookfield has also indicated that it will not acquire common shares or Non-Voting Equity Shares, other than pursuant to normal course exempt purchases, without first making available to the Corporation the opportunity to acquire such shares in accordance with applicable securities laws.

Notwithstanding that the holders of Non-Voting Equity Shares will generally not be entitled to vote, they would be entitled under applicable law to vote in limited circumstances, including on any sale of substantially all of the property of the Corporation and on an amalgamation. In addition, the holders of Non-Voting Equity Shares would be entitled to vote separately as a class in circumstances where the Non-Voting Equity Shares are affected differently in a transaction than the shares of another class of shares. As well, in certain limited circumstances where the articles of the Corporation are amended, the Non-Voting Equity Shares will be entitled to vote as a class.

Canadian Federal Income Tax Considerations

In the opinion of Tory Tory DesLauriers & Binnington, the following is a summary of the principal income tax considerations under the *Income Tax Act* (Canada) (the "Tax Act") applicable to holders of the common shares who, for the purposes of the Tax Act, are resident in Canada, hold and will hold their common shares as capital property and deal at arm's length with the Corporation.

The common shares will generally be considered capital property of a holder unless they are held in the course of carrying on a business, in an adventure in the nature of trade or as "mark-to-market" property for the purposes of the Tax Act. Certain holders whose common shares might not otherwise qualify as capital property may be entitled to obtain such qualification by making an irrevocable election under subsection 39(4) of the Tax Act. Shareholders who do not hold their common shares as capital property should consult their own tax advisers regarding their particular circumstances and, in the case of certain "financial institutions" (as defined in the Tax Act), the potential application to them of the special "mark-to-market" rules in the Tax Act, as the following discussion does not apply to them.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder and counsel's understanding of the current administrative practices of Revenue Canada, Customs, Excise and Taxation. This summary takes into account specific proposals to amend the Tax Act and its regulations publicly announced by the Minister of Finance prior to the date hereof, but no assurance can be given that these proposals will be enacted or that they will be enacted in the form proposed. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, nor does it take into account the tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

The following summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder of common shares. Shareholders should consult their own tax advisers about

the tax consequences to them of the proposed amendment to the terms of the common shares and the conversion of a common share into a Non-Voting Share.

Amendment to Terms of Common Shares

The amendment to the terms of the common shares will not result in a disposition of common shares for the purposes of the Tax Act. Accordingly, a holder of a common share will not, as a result of the amendment, realize a capital gain or a capital loss for the purposes of the Tax Act.

Conversion of Common Shares

The conversion of a common share into a Non-Voting Share will not result in a holder of a common share realizing a capital gain or a capital loss for the purposes of the Tax Act provided that the holder receives no consideration other than a Non-Voting Share on the conversion. The cost to a holder of a Non-Voting Share acquired on the conversion of a common share will be equal to the adjusted cost base of the common share immediately before the conversion.

Dissent Rights

Under the provisions of section 190 of the CBCA, a registered shareholder of the Corporation is entitled to send to the Corporation a written objection to the resolution in respect of approval of the Capital Reorganization. In addition to any other right a holder of common shares may have, when the Capital Reorganization becomes effective, a registered shareholder of the Corporation who complies with the dissent procedure under section 190 of the CBCA (a "Dissenting Shareholder") is entitled to be paid the fair value of the common shares held by him in respect of which he dissents, determined as at the close of business on the day before such resolution is adopted.

The dissent procedure provided by section 190 of the CBCA is summarized in Schedule D to this Management Proxy Circular. Holders of common shares who may wish to dissent are referred to such Schedule. A shareholder may only exercise the right to dissent under section 190 of the CBCA in respect of shares which are registered in that shareholder's name. Failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of the right to dissent.

The execution or exercise of a proxy does not constitute a written objection for the purposes of section 190 of the CBCA.

AUTHORIZATION OF CORPORATION TO ISSUE THE NEW NON-VOTING EQUITY SHARES TO THE PUBLIC AND/OR LIST THE NON-VOTING EQUITY SHARES ON A STOCK EXCHANGE

The Corporation has no current intention to issue Non-Voting Equity Shares to the public or to list the Non-Voting Equity Shares on the Exchanges, and therefore the Corporation does not expect a public market for the Non-Voting Equity Shares to be created in the near term. It is possible that opportunities may arise in which it would be highly advantageous to the Corporation to issue Non-Voting Equity Shares to the public and/or to list the Non-Voting Equity Shares should the terms and conditions of such issuance be favourable to the Corporation as a whole. The Board of Directors believes that it is appropriate for the Corporation to use the Non-Voting Equity Shares in this way only if such usage is first approved by a majority of the votes cast other than votes attaching to shares held by affiliates of the Corporation or by certain other beneficial owners. Shareholders, other than Brookfield, are therefore asked to pass a resolution in the form attached as Schedule E to this Management Proxy Circular. Approval of the resolution will require the affirmative vote of a majority of the votes cast.

CONSIDERATION BY INDEPENDENT DIRECTORS

The directors on the Corporation's Board who are independent of any interest or relationship with Brookfield

(the "Independent Directors") have met to consider the foregoing proposals to amend the Articles to create a new class of Non-Voting Equity Shares and to authorize the Corporation to issue the new Non-Voting Equity Shares to the public and/or list the Non-Voting Equity Shares on a stock exchange. The Independent Directors unanimously approved the proposals and recommend their approval by shareholders.

DIRECTORS' COMPENSATION

The Board of Directors currently consists of 11 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, Mr. Sabat is entitled to 12 months salary.

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 current Executive Officers for the three fiscal years ended December 31, 1997:

SUMMARY COMPENSATION TABLE

Name and Principal Position ¹	Year	Annual Compensation		Long-Term Compensation Awards Securities Under Options Granted (#)	All Other Compensation (\$) ²
		Salary (\$)	Bonus (\$)		
F. M. FELL Honourary 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
D.D. ARTHUR ³ President & CEO	1997	nil	nil	nil	nil
	1996	nil	nil	nil	nil
	1995	nil	nil	nil	nil
R.W. POWELL President, Real Estate Finance	1997	175,000	82,500	85,000	12,646
	1996	142,500	66,500	100,000	11,021
	1995	125,000	99,750	nil	nil
B.C. COLLYER Senior Vice-President, Business Development	1997	175,000	95,000	300,000	12,821
	1996	160,000	48,700	nil	6,509
	1995	nil	nil	nil	nil
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

¹ This table and the other executive compensation tables do not include information for J. B. Walker, former President and C.E.O. from May 1997 to February 1998, and M. Freund, former President and C.E.O. from June 1995 to May 1997, nor do the tables include information for T. Broughton, former Vice-President until April 1998 and M. Newman, former Executive Vice-President of the Corporation until April 1998. Refer to the Company's Management Proxy Circular dated March 31, 1998 in respect of the May 25, 1998 Annual General Meeting for compensation details on former Executive Officers.

² These amounts reflect contributions to a group RRSP and insurance benefit premiums.

³ Mr. Arthur joined the Corporation in 1997 and was appointed President and C.E.O. on February 19, 1998. During 1998, Mr. Arthur's Annual Compensation is \$250,000 per annum with a discretionary bonus of up to \$125,000 and \$30,658 in other compensation. He was awarded 150,000 options at \$4.75 under the Corporation's option plan.

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

Name	Securities Under Options Granted	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
R.W. POWELL	85,000	5	2.70	2.70	Feb. 4, 2002
B.C. COLLYER	185,000 115,000	19	3.65 2.70	3.65 2.70	July 31, 2002 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

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

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at December 31, 1997 (#)		Value of Unexercised in-the-Money Options at December 31, 1997 (\$) ⁽¹⁾	
			Exercisable	Unexercisable	Exercisable	Unexercisable
F.M. FELL	507,800	1,911,592	1,650,000	0	7,693,500	0
R.W. POWELL	Nil	Nil	57,000	128,000	174,150	369,600
B.C. COLLYER	Nil	Nil	60,000	240,000	117,850	471,400
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

(1) The common share price upon which these amounts are calculated was the closing price on December 31, 1997 of \$5.25. However, as at October 20, 1998, the closing price for the Corporation's common shares was \$2.80.

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. Mr. Budd seeks to have his action certified as a class action but has not yet proceeded to do so. 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 material developments are that the Ontario Court (General Division) 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. Recently, the Court of Appeal has upheld the decision to strike out the claims against the officers and directors. The other decision declining Mr. Budd's request for interim funding and the appointment of an inspector is 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**

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Year		Financially Assisted Securities Purchased During Last Completed Financial Year (#)	Security for Indebtedness ⁽¹⁾
		December 31, 1997 (\$)	Amount Outstanding as at March 17, 1998 (\$)		
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

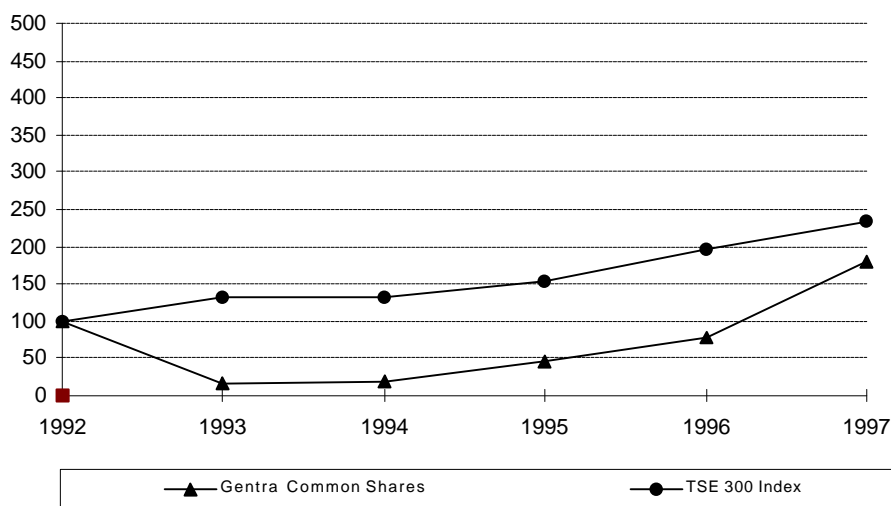
(1) The Corporation's MSPP involved the extension of a loan by a subsidiary of the Corporation to facilitate the purchase of common shares of the Corporation. The loan bears interest at the rate of common share dividends declared by the Corporation. The loan will fall due on the earlier of the date of 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
Genra 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
October 20, 1998

SCHEDULE A
TO THE
MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

**Amendment to Articles to Create a new Class of Non-Voting Equity Shares
and to Add a Conversion Right to common shares**

SPECIAL RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Corporation be amended as described in the accompanying Management Proxy Circular under the heading "Amendment of Articles to Create a New Class of Non-Voting Equity Shares and to Add a Conversion Right to the common shares", by filing Articles of Amendment substantially in the form of the draft articles of amendment attached to the Management Proxy Circular as Schedule C;
2. notwithstanding that this special resolution has been passed by the shareholders of the Corporation, the Board of Directors of the Corporation is hereby authorized and empowered to revoke this special resolution without the further approval of the shareholders of the Corporation at any time prior to the issue of a Certificate of Amendment giving effect to the amendment to the Articles of the Corporation contemplated hereby if the Board of Directors, in its sole and absolute discretion, deems it to be in the best interests of the Corporation to do so; and
3. 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 do all acts and things and execute, whether under the corporate seal of the Corporation or otherwise, and deliver or cause to be delivered all documents and instruments as in the opinion of such director or officer may be necessary or desirable to carry out the intent of this special resolution.

SCHEDULE B

TO THE

MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

ATTRIBUTES OF COMMON SHARES

- Voting Rights:** One vote per share.
- Dividends** Dividends will be paid on the common shares at the same time and in equal amounts per share as dividends paid on Non-Voting Equity Shares.
- Stock Dividends** Stock dividends will be paid to a holder of common shares in common shares at the same time and in equal numbers of additional shares per share as stock dividends paid on Non-Voting Equity Shares.
- Liquidation, Dissolution or Winding-Up:** The common shares will participate rateably with the Non-Voting Equity Shares.
- Conversion:** The common shares may be converted at the option of the holder into Non-Voting Equity Shares on a one-for-one basis at any time, on ten days' written notice to the Corporation. The Corporation may, in its discretion, waive the 10 day notice period.

ATTRIBUTES OF NON-VOTING EQUITY SHARES

- Voting Rights:** No voting rights, except at meetings where the holders of Non-Voting Equity Shares would be entitled by law to vote separately as a class. Holders of non-voting equity shares will be entitled to notice of, and to attend at, meetings of shareholders, other than meetings at which only holders of a particular class are entitled to vote.
- Limitations on Right to Class Vote:** Holders of Non-Voting Equity Shares will not be entitled to vote separately as a class on a proposal to amend the articles of the Corporation in respect of certain matters, as permitted by section 176(1) of the CBCA.
- Dividends:** Dividends will be paid on the Non-Voting Equity Shares at the same time and in equal amounts per share as dividends paid on common shares.
- Stock Dividends:** Stock dividends will be paid to holders of Non-Voting Equity Shares in Non-Voting Equity Shares or, at the holder's election, in common shares at the same time and in equal numbers of additional shares per share as stock dividends on common shares.
- Liquidation, Dissolution or Winding-Up:** The Non-Voting Equity Shares will participate rateably with the common shares.

SCHEDULE C
TO THE
MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

AMENDMENT TO ARTICLES

Consumer and
Corporate Affairs Canada

Canada Business
Corporations Act

FORM 4
ARTICLES OF AMENDMENT
(SECTION 27 OR 177)

1 - Name of corporation GENTRA INC.	2 - Corporation No. 076818-9
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3 - The articles of the above-named corporation are amended as follows:

The annexed Schedule 1 is incorporated in this Form.

Date	Signature	Title
		FOR DEPARTMENTAL USE ONLY Filed

SCHEDULE 1

- (a) by amending Part I of the Restated Certificate and Articles of Incorporation dated February 23, 1996, as amended by the Certificate of Amendment dated April 26, 1996, (the "Articles") to increase the authorized capital of the Corporation by the creation of an unlimited number of non-voting equity shares so that the Corporation is authorized to issue:
- A. COMMON SHARES
The Corporation is authorized to issue an unlimited number of common shares (the "common shares").
 - B. NON-VOTING EQUITY SHARES
The Corporation is authorized to issue an unlimited number of Non-Voting Equity Shares (the "Non-Voting Equity Shares").
 - C. PREFERRED SHARES
The Corporation is authorized to issue an unlimited number of preferred shares ("Preferred Shares") which may be issued in series.
 - D. SENIOR PREFERRED SHARES
The maximum number of senior preferred shares that the Corporation is authorized to issue (excluding any previously issued senior preferred shares heretofore redeemed) is eight hundred and ninety thousand, four hundred and twenty-nine (890,429) senior preferred shares ("Senior Preferred Shares").
 - E. PRIORITY PREFERRED SHARES
The Corporation is authorized to issue an unlimited number of priority preferred shares ("Priority Preferred Shares") which may be issued in series.
- (b) by deleting section A of Part II of the Articles and substituting therefor the attached Appendix 1 to this Schedule 1 which sets out further the rights, privileges, restrictions and conditions attaching to the common shares and the rights, privileges, restrictions and conditions attaching to the Non-Voting Equity Shares.

APPENDIX 1

COMMON SHARES AND NON-VOTING EQUITY SHARES

1. *Dividends*

The common shares and the Non-Voting Equity Shares will rank equally with one another and subordinate to the Preferred Shares, the Senior Preferred Shares, the Priority Preferred Shares and any other shares of the Corporation ranking senior to the common shares and the Non-Voting Equity Shares as to such dividends as may be declared by the Board of Directors out of funds legally available therefor and all dividends, other than stock dividends payable in equity shares, declared at any time after the date these articles of amendment become effective will be declared contemporaneously and paid at the same time in the same property and in equal amounts per share on all the common shares and all the Non-Voting Equity Shares at the time outstanding, without preference or priority of one share over another. The Board of Directors may declare separate stock dividends payable in equity shares for each of the common shares and Non-Voting Equity Shares provided that: (a) such stock dividends shall be declared contemporaneously and paid at the same time and in equal numbers of additional equity shares per share on all the common shares and all the Non-Voting Equity Shares at the time outstanding; (b) such stock dividends shall be paid (i) in common shares to the holders of common shares, and (ii) in Non-Voting Equity Shares to holders of Non-Voting Equity Shares, provided that each holder of Non-Voting Equity Shares may elect, in the manner prescribed by the Board of Directors from time to time, to receive such stock dividends in common shares and absent any election such stock dividends shall be paid in Non-Voting Equity Shares to such holders.

2. *Rights on Liquidation*

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of common shares and Non-Voting Equity Shares will be entitled to receive, after payment of all liabilities of the Corporation and subject to the preferential rights of the Preferred Shares, the Senior Preferred Shares, the Priority Preferred Shares and any class of shares ranking in priority to common shares and Non-Voting Equity Shares, the remaining assets and property of the Corporation, in equal amounts per share, without preference or priority of one share over another.

3. *Voting*

The holders of common shares are entitled to receive notice of any meeting of shareholders of the Corporation and to attend and vote thereat, except those meetings where only the holders of shares of a particular class or of a particular series are entitled to vote. Each common share will entitle the holder thereof to have one vote for each share held. The holders of Non-Voting Equity Shares are entitled to receive notice of any meeting of shareholders of the Corporation and to attend thereat, except those meetings where only the holders of shares of a particular class or of a particular series are entitled to vote. Subject to the provisions of applicable law, a Non-Voting Equity Share will not entitle the holder thereof to any right to vote at any meeting of shareholders of the Corporation.

4. *Limitations on Right to Class Vote*

The holders of Non-Voting Equity Shares will not be entitled to vote separately as a class on a proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized Non-Voting Equity Shares, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the Non-Voting Equity Shares;
- (b) effect an exchange, reclassification or cancellation of all or part of the Non-Voting Equity Shares; or

- (c) create a new class of shares equal or superior to the Non-Voting Equity Shares.

5. Conversion of Common Shares at any Time

- (a) Conversion Right

A holder of common shares has the right, at the holder's option, at any time to convert all or a part of such common shares into fully paid and non-assessable Non-Voting Equity Shares on the basis of one Non-Voting Equity Share for each Common Share so converted.

- (B) CONVERSION PROCEDURE

The conversion right provided for in paragraph 5(a) may be exercised by notice in writing (the "Notice") given to the Corporation at its registered office and to the transfer agent(s) from time to time for the common shares and the Non-Voting Equity Shares (the "Transfer Agent"), which notice shall specify a date (the "Exercise Date") no fewer than ten days following the date of the Notice upon which the conversion right will be exercised. The Corporation may, in its discretion, waive the requirement for ten days notice of the Exercise Date. The Notice must be accompanied by the certificate or certificates representing the common shares in respect of which the holder thereof desires to exercise such right of conversion, must be signed by the holder or its duly authorized attorney and must specify the number of common shares which the holder desires to have converted. If less than all the common shares represented by any certificate or certificates accompanying any such Notice are to be converted, the holder will be entitled to receive, at the expense of the Corporation, a new certificate representing the common shares comprised in the certificate or certificates surrendered as aforesaid which are not to be converted. On any conversion of common shares, the share certificates representing the Non-Voting Equity Shares resulting therefrom will be issued in the name of the holder of the common shares converted or, subject to payment by the holder of any stock transfer or other applicable taxes, in the name of such person as the holder may direct in writing. The right of a holder of common shares to convert the same into Non-Voting Equity Shares will be deemed to have been exercised, and the holder of common shares to be converted (or any person in whose name such holder of common shares will have directed certificates representing Non-Voting Equity Shares to be issued) will be deemed to have become a holder of Non-Voting Equity Shares of record for all purposes on the later of (i) the Exercise Date, and (ii) the date on which the certificate representing the common shares to be converted has been delivered, together with a copy of the Notice, to the Transfer Agent, notwithstanding any delay in the delivery of the certificate representing the Non-Voting Equity Shares into which such common shares have been converted.

6. Subdivision or Consolidation

None of the common shares or the Non-Voting Equity Shares will be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the shares of such other class are subdivided, consolidated, reclassified or otherwise changed in the same proportion or the same manner.

7. Restrictions on Additional Issuances

If the Corporation proposes to grant options, rights or warrants to holders of shares of any class, as a class, to acquire additional participating securities (whether voting or not voting), securities convertible into the foregoing, or to make any other distribution of property or assets other than stock dividends payable in equity shares in accordance with section 1 above, then the holders of common shares and Non-Voting Equity Shares will, for such purpose, be deemed to be holders of shares of the same class of shares.

SCHEDULE D

TO THE

MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

SUMMARY OF PROCEDURE TO EXERCISE DISSENT RIGHT

The procedure to be followed by a shareholder who intends to dissent from the resolution approving the Capital Reorganization described in the accompanying Management Proxy Circular and who wishes to require the Corporation to acquire his shares and pay him the fair value thereof, determined as of the close of business on the day before such resolution is adopted, is set out in section 190 of the *Canada Business Corporations Act* (the "CBCA").

Section 190 provides that a shareholder may make a claim under that section only with respect to all the shares of a class held by him on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that **a shareholder may exercise the right to dissent under section 190 only in respect of shares which are registered in that shareholder's name**. In many cases, shares beneficially owned by a person (a "Non-Registered Holder") are registered either: (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the intermediary is a participant. Accordingly, a Non-Registered Holder will not be entitled to exercise the right to dissent under section 190 directly (unless the shares are re-registered in the Non-Registered Holder's name). A Non-Registered Holder who wishes to exercise the right to dissent should immediately contact the intermediary who the Non-Registered Holder deals with in respect of the shares and either: (i) instruct the intermediary to exercise the right to dissent on the Non-Registered Holder's behalf (which, if the shares are registered in the name of CDS or other clearing agency, would require that the share first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the shares in the name of the Non-Registered Holder, in which case the Non-Registered Holder would have to exercise the right to dissent directly.

A registered shareholder who wishes to invoke the provisions of section 190 of the CBCA must send to the Corporation a written objection to the resolution (the "Notice of Dissent") at or before the time fixed for the shareholders meeting at which the resolution is to be voted on. The sending of a Notice of Dissent does not deprive a registered shareholder of his right to vote on the resolution but a vote either in person or by proxy against the resolution does not constitute a Notice of Dissent. A vote in favour of the resolution will deprive the registered shareholder of further rights under section 190 of the CBCA.

Within 10 days after the adoption of the resolution by the shareholders, the Corporation is required to notify in writing each shareholder who has filed a Notice of Dissent and has not voted for the resolution or withdrawn his objection (a "Dissenting Shareholder") that the resolution has been adopted. A Dissenting Shareholder shall, within 20 days after he receives notice of adoption of the resolution or, if he does not receive such notice, within 20 days after he learns that the resolution has been adopted, send to the Corporation a written notice (the "Demand for Payment") containing his name and address, the number and class of shares in respect of which he dissents, and a demand for payment of the fair value of such shares. Within 30 days after sending his Demand for Payment, the Dissenting Shareholder shall send the certificates representing the shares in respect of which he dissents to the Corporation or its transfer agent. The Corporation or the transfer agent shall endorse on the share certificates notice that the holder thereof is a Dissenting Shareholder under section 190 of the CBCA and shall forthwith return the share certificates to the Dissenting Shareholder. If a Dissenting Shareholder fails to send his share certificates, he has no right to make a claim under section 190 of the CBCA.

After sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a holder of the shares in respect of which he has dissented other than the right to be paid the fair value of such shares as determined under section 190 of the CBCA, unless: (i) the Dissenting Shareholder withdraws his Demand

for Payment before the Corporation makes a written offer to pay (the "Offer to Pay"); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his Demand for Payment; or (iii) the directors of the Corporation revoke the resolution relating to the Capital Reorganization, in all of which cases the Dissenting Shareholder's rights as a shareholder are reinstated.

Not later than seven days after the later of the effective date of the Capital Reorganization and the day the Corporation receives the Demand for Payment, the Corporation shall send, to each Dissenting Shareholder who has sent a Demand for Payment, an Offer to Pay for the shares of the Dissenting Shareholder in respect of which he has dissented in an amount considered by the directors of the Corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders for shares of the same class shall be on the same terms. The amount specified in an Offer to Pay which has been accepted by a Dissenting Shareholder shall be paid by the Corporation within 10 days of the acceptance, but an Offer to Pay lapses if the Corporation has not received an acceptance thereof within 30 days after the Offer to Pay has been made.

If an Offer to Pay is not made by the Corporation or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the effective date of the Capital Reorganization or within such further period as a court may allow, apply to the court to fix a fair value for the shares of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may apply to the Ontario Court (General Division) for the same purpose within a further period of 20 days or within such further period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court.

On making an application to the court, the Corporation shall give to each Dissenting Shareholder who has sent to the Corporation a Demand for Payment and has not accepted an Offer to Pay, notice of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel. All Dissenting Shareholders whose shares have not been purchased by the Corporation shall be joined as parties to any such application to the court to fix a fair value and shall be bound by the decision rendered by the court in the proceedings commenced by such application. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court shall fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the Capital Reorganization until the date of payment of the amount ordered by the court. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder shall be rendered against the Corporation and in favour of each Dissenting Shareholder. The cost of any application to a court by the Corporation or a Dissenting Shareholder will be in the discretion of the court.

The above is only a summary of the dissenting shareholder provisions of the CBCA, which are technical and complex. It is suggested that a shareholder of the Corporation wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of the right to dissent.

SCHEDULE E
TO THE
MANAGEMENT PROXY CIRCULAR OF GENTRA INC.

Authorization of the Corporation to Issue Non-Voting Equity Shares to the Public or to List the Non-Voting Equity Shares on a Stock Exchange

RESOLUTION

BE IT RESOLVED THAT:

1. in addition to the Corporation's authority to issue Non-Voting Equity Shares upon the conversion of common shares and to issue Non-Voting Equity Shares in circumstances which do not constitute issuing Non-Voting Equity Shares to the public, the Corporation is hereby authorized to issue Non-Voting Equity Shares to the public and/or to list the Non-Voting Equity Shares on a stock exchange.
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 do all acts and things and execute, whether under the corporate seal of the Corporation or otherwise, and deliver or cause to be delivered all documents and instruments as in the opinion of such director or officer may be necessary or desirable to carry out the intent of this resolution.