



## 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 at The Toronto Stock Exchange Conference Centre Auditorium, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Friday April 14, 2000, 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 decrease the number of Directors from 11 to 10;
2. to receive the consolidated financial statements for the year ended December 31, 1999 and the report of the auditor contained in the annual report accompanying this notice;
3. to elect Directors;
4. to appoint Deloitte & Touche as auditor and authorize the Directors to fix the remuneration of the auditor; 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.

If you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed Form of Proxy to: 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, no later than 48 hours preceding the Meeting or any adjournments thereof.

BY ORDER OF THE BOARD,

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

Dated this 21st day of February, 2000

Attached: Management Proxy Circular  
Enclosed: Form of Proxy and return envelope (for common shareholders only)  
1999 Annual Report



## TABLE OF CONTENTS

|   |    |
|---|----|
| AVAILABILITY OF DISCLOSURE DOCUMENTS.....   | 1  |
| SOLICITATION OF PROXIES.....  | 1  |
| Appointment Of Proxy.....   | 1  |
| Non-Registered Holders.....   | 2  |
| Right of Revocation .....   | 3  |
| VOTING OF PROXIES.....  | 3  |
| BENEFICIAL OWNER OF COMMON SHARES .....   | 3  |
| RECORD DATE AND SHARES ENTITLED TO BE VOTED .....   | 3  |
| APPROVAL OF MATTERS AT MEETING.....   | 4  |
| MATTERS FOR CONSIDERATION AT MEETING .....  | 5  |
| Amendment of Articles to Decrease Number of Directors .....                               | 5  |
| Appointment of Auditor .....  | 5  |
| Election of Directors.....  | 5  |
| DIRECTORS' COMPENSATION .....   | 7  |
| EXECUTIVE OFFICERS' COMPENSATION .....  | 7  |
| Report on Executive Compensation.....   | 7  |
| OPTIONS .....   | 9  |
| INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS OF THE CORPORATION..... | 10 |
| SHAREHOLDERS' RETURN PERFORMANCE GRAPH .....  | 11 |
| CORPORATE GOVERNANCE PRACTICES.....   | 12 |
| Board Composition .....   | 12 |
| Board Committees.....   | 13 |
| DIRECTORS' AND OFFICERS' LIABILITY INSURANCE .....  | 13 |
| ACTION BY RAYMOND BUDD .....  | 13 |
| APPROVAL BY BOARD OF DIRECTORS .....  | 14 |
| SCHEDULE A.....   | 1  |

---

---

## CORPORATE INFORMATION

**Executive and Registered Office:**

BCE Place, Bay Wellington Tower  
181 Bay Street, Suite 4500  
P.O. Box 770  
Toronto, Ontario M5J 2T3

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 April 14, 2000 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 February 21, 2000.

### 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 the year ended December 31, 1999, 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 1999 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 1999 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 a 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; (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, 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 (c) in any other manner permitted by law.

A Non-Registered Holder 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 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: (i) in favour of the special resolution authorizing the amendment of the Articles of the Corporation to decrease the number of Directors from 11 to 10; (ii) for the election of Directors; and (iii) for the appointment of auditor, 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, 11,308,755 common shares of the Corporation, through a wholly owned subsidiary, representing approximately 47% 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 23,927,664 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 March 9, 2000, 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 March 9, 2000 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.** The election of Directors by holders of common shares is by cumulative voting as described below. A simple majority of the votes cast either in person or by proxy on any other matter voted upon at the Meeting is sufficient to carry such matter.

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 common shares held by such shareholder, multiplied by the number of Directors to be elected by the holders of common shares (11 Directors), and such shareholder may cast all such votes in favour of one candidate or distribute them among the candidates in any manner. The enclosed Form of Proxy provides for the shares represented thereby to be voted either for the election of the Directors or withheld from voting for the Directors. A shareholder that indicates that his shares are to be voted for the election of Directors (or who does not provide instructions with respect to the election of Directors) will have his votes distributed equally among all of the nominees described in this Circular unless additional nominees for election are nominated from the floor at the Meeting so that the total number of nominees exceed the number of Directors to be elected at the Meeting. **In this case, the cumulative voting rights attached to proxies in favour of Management will be voted (in the absence of specific instructions from the shareholder) in accordance with the best judgement of the person voting the proxy in such a manner as to maximize the number of unrelated Directors elected at the Meeting.** Management is not aware of any intention of any person to nominate additional persons as Directors. If a shareholder desires to distribute votes otherwise than as described herein, 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 first table under "Election of Directors" on page 6 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 OF ARTICLES TO DECREASE NUMBER OF DIRECTORS***

The Board of Directors has reviewed the current composition of the Board and believes it would be desirable to reduce the number of Directors from 11 to 10 and to nominate two new Directors, Mr. C. Kent Jespersen and Mr. Michael F. B. Nesbitt, to bring further expertise to the Board. To accommodate these changes, it is proposed that the Board be decreased from 11 to 10 Directors.

Shareholders are asked to pass a resolution in the form of the resolution attached as Schedule A to this Management Proxy Circular approving the amendments to the Articles of the Corporation. Approval of the resolution will require the affirmative vote of two-thirds of the votes cast. In addition, the provisions of the CBCA concerning cumulative voting provide that the number of Directors may not be decreased if the votes cast against the motion to decrease would be sufficient to elect a Director and such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of Directors required by the articles (i.e. 11) were then being elected.

On any ballot that may be called for on the Special Resolution, the management representatives designated in the enclosed Form of Proxy intend to cast the votes to which the shares represented by such proxy are entitled in favour of the Special Resolution, unless the shareholder who has given such proxy has directed that the shares be voted against the Special Resolution.

### ***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 auditor of Gentra since 1996. Ernst & Young served as auditor of the Corporation in 1995. The resolution to appoint Deloitte & Touche as auditor must be passed by a simple majority of the votes cast either in person or by proxy.

### ***ELECTION OF DIRECTORS***

The Board of Directors has proposed an amendment of the Articles of the Corporation to decrease the number of Directors from 11 to 10 (see "Amendment of Articles to Decrease Number of Directors"). If the amendment is approved, 10 Directors will be elected at the Annual and Special Meeting of Shareholders. Of the current Board Members, Mr. J. Trevor Eyton, Mr. John K. Kelly and Ms. Heather M. Reisman are not standing for re-election to the Board.

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. The election of Directors is conducted by cumulative voting as described above under "Approval of Matters of Meeting".

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 number of options and common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by such nominees. The Corporation has an Audit Committee and the members of this committee are indicated in the table below.

| Name and Municipality of Residence                            | Principal Occupation  | Year First Elected A Director | Common Shares | Options |
|---|---|-------------------------------|---------------|---------|
| 1. Gordon E. Arnell<br>Calgary, Alberta                       | Chairman,<br>Brookfield Properties Corporation<br>(office property company)   | 1993                          | 200           | None    |
| 2. David D. Arthur<br>Toronto, Ontario                        | President and Chief Executive Officer,<br>Gentra Inc.   | 1998                          | 5,500         | 127,600 |
| 3. The Hon. William G. Davis<br>Brampton, Ontario             | Counsel,<br>Torys   | 1998                          | None          | 1,500   |
| 4. J. Bruce Flatt <sup>(1)</sup><br>Toronto, Ontario          | President and Chief Executive Officer,<br>Brookfield Properties Corporation   | 1996                          | 5,000         | None    |
| 5. Robert J. Harding <sup>(1)(2)</sup><br>Toronto, Ontario    | Chairman of the Board,<br>Gentra Inc. and<br>Chairman,<br>EdperBrascan Corporation<br>(natural resources, financial services and<br>power generating company) | 1999                          | 100           | None    |
| 6. C. Kent Jespersen <sup>(3)</sup><br>Calgary, Alberta       | Chairman and Chief Executive Officer,<br>La Jolla Resources International Ltd.,<br>(international business advisory and<br>investment company)                | Director-elect                | None          | None    |
| 7. Joseph F. Killi <sup>(1)</sup><br>Calgary, Alberta         | President,<br>Rosebridge Capital Corp. Inc.<br>(real estate investment and advisory<br>services company)  | 1999                          | None          | 1,500   |
| 8. Robert J. McGavin<br>Aurora, Ontario                       | Corporate Director  | 1999                          | None          | 1,500   |
| 9. Michael F. B. Nesbitt <sup>(4)</sup><br>Winnipeg, Manitoba | President and Chief Executive Officer,<br>Montrose Investment Co. Ltd.<br>(investment company)  | Director-elect                | None          | None    |
| 10. Neil R. Wood<br>Newmarket, Ontario                        | Corporate Director  | 1995                          | None          | 31,500  |

Notes:

(1) Member of the Audit Committee.

(2) Robert Harding has held the position of Chairman of EdperBrascan Corporation since 1997. Prior to that Mr. Harding held the position of President and Chief Executive Officer of a predecessor to EdperBrascan Corporation from 1992 to 1997.

(3) C. Kent Jespersen has held the position of Chairman of La Jolla Resources International Ltd. since 1998. Prior to that Mr. Jespersen held the position of President and Chief Executive Officer Elect of NOVA Energy Services during 1997 and President of NOVA Gas International Ltd. since 1994.

(4) Michael Nesbitt has held the position of President of Montrose Investment Co. Ltd. since 1972. He is also Chairman and controlling shareholder of Montrose Mortgage Corporation Ltd.

## **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. A Committee Chairman receives an additional \$5,000 per annum to reflect the substantial commitment of time and experience. Independent Directors were also each awarded 1,500 options under the Corporation's Stock Option Plan during 1999.

In 1999, the Directors of the Corporation received an aggregate of \$224,500 in retainer and attendance fees.

## **EXECUTIVE OFFICERS' COMPENSATION**

Gentra's Board of Directors considers and decides on all significant human resources issues, including compensation, succession planning, performance appraisals and development of Executive Officers and compensation of the Chief Executive Officer.

### ***REPORT ON EXECUTIVE COMPENSATION***

For 1999, the Board set compensation in accordance with a compensation plan applicable to all of Gentra's employees including its Executive Officers. The most material principles of that plan are reflected in the following disclosure. The Board reviewed the plan at the time of conducting a review of 1999 performance and compensation for employees in February, 2000.

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 compensation plan focuses on promoting the long term interests of Gentra's equity holders and is designed to attract, motivate and retain the highest caliber of employees.

The Corporation's approach to compensation can be best described by reference to the different categories of employees and 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.
- The second 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, certain of these employees are rewarded with performance-based bonuses.
- The third category consists of senior executives ("Executive Officers") who are compensated with a compensation package consisting of a base salary, bonuses and share options. Bonuses are paid if pre-determined, personal and corporate goals and standards have been achieved. Share options are also used as a component of compensation and are granted based on a multiple of salary and on the achievement of performance objectives.

The Board of Directors establishes 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. Bonus payments are measured against a broad range of individual and corporate performance targets based on the Corporation's business objectives. In setting compensation, the Board of Directors is 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 Board has 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 Board of Directors applies the principles described above in establishing the compensation for the Chief Executive Officer. In addition to those principles, the Board assesses 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. Brian C. Collyer, Senior Vice-President, Business Development is entitled to be paid 12 months' salary for termination without cause. Kieran F. Mulroy, Senior Vice-President and General Counsel is entitled to be paid 24 months' salary for termination without cause, constructive dismissal or in the event of a change of control transaction. Mauro Pambianchi, Senior Vice-President, Retail is entitled to be paid up to 24 months' salary for termination without cause during his first year of employment and thereafter 12 months' salary plus one month's salary per year of service. Karen H. Weaver, Senior Vice-President and Chief Financial Officer is entitled to be paid 16 months' salary for termination without cause plus one month's salary for each additional year of service.

Submitted by the Board of Directors:

Gordon E. Arnell  
David D. Arthur  
Hon. William G. Davis  
Hon. J. Trevor Eyton  
J. Bruce Flatt  
Robert J. Harding  
John K. Kelly  
Joseph F. Killi  
Robert J. McGavin  
Heather M. Reisman  
Neil R. Wood

The following Summary Compensation Table details compensation information for the named Executive Officers for the last three fiscal years ended December 31, 1999:

### SUMMARY COMPENSATION TABLE

| Name and Principal Position  | Year | Annual Compensation |         | Long-Term Compensation Awards--Securities Under Options Granted | All Other Compensation |
|--|------|---------------------|---------|---|------------------------|
|  |      | Salary              | Bonus   |   |                        |
|  |      | (\$)                | (\$)    | (#)   | (\$) <sup>(1)</sup>    |
| D. D. Arthur <sup>(2)</sup><br>President and CEO                     | 1999 | 300,000             | 110,000 | 97,600  | 45,184                 |
|  | 1998 | 250,000             | 42,000  | 30,000  | 20,658                 |
|  | 1997 | nil                 | nil     | nil   | nil                    |
| B. C. Collyer<br>Senior Vice-President,<br>Business Development      | 1999 | 225,000             | 97,500  | 51,000  | 26,424                 |
|  | 1998 | 190,000             | 95,000  | 12,200  | 12,727                 |
|  | 1997 | 175,000             | 48,700  | 60,000  | 12,821                 |
| K. F. Mulroy<br>Senior Vice-President<br>and General Counsel         | 1999 | 210,000             | 92,500  | 49,600  | 25,423                 |
|  | 1998 | 185,000             | 92,500  | 12,000  | 12,578                 |
|  | 1997 | 185,000             | 82,500  | 20,000  | 12,556                 |
| M. Pambianchi <sup>(3)</sup><br>Senior Vice-President,<br>Retail     | 1999 | 76,923              | nil     | 90,000  | 32,983                 |
|  | 1998 | nil                 | nil     | nil   | nil                    |
|  | 1997 | nil                 | nil     | nil   | nil                    |
| K. H. Weaver<br>Senior Vice-President<br>and Chief Financial Officer | 1999 | 175,000             | 72,500  | 40,600  | 21,869                 |
|  | 1998 | 145,000             | 67,500  | 8,600   | 18,486                 |
|  | 1997 | 135,000             | 65,000  | 19,000  | 10,551                 |

(1) These amounts reflect contributions to a group RRSP and insurance benefit premiums and car allowance payments.

(2) Mr. Arthur was appointed President and CEO on February 19, 1998.

(3) Mr. Pambianchi joined the Corporation in August 1999 at an annual base salary of \$200,000. Other compensation includes a \$20,000 signing bonus in addition to items described in Note (1) above.

### OPTIONS

On February 9, 1999 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 Report on Executive 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  |
|---------------|----------------------------------|---|--------------------------------------|--|------------------|
| D. D. Arthur  | 97,600                           | 19.0%   | 13.05                                | 13.05  | February 9, 2004 |
| B. C. Collyer | 51,000                           | 10.0%   | 13.05                                | 13.05  | February 9, 2004 |
| K. F. Mulroy  | 49,600                           | 10.0%   | 13.05                                | 13.05  | February 9, 2004 |
| M. Pambianchi | 90,000                           | 17.5%   | 14.25                                | 14.25  | June 21, 2004    |
| K. H. Weaver  | 40,600                           | 8.0%  | 13.05                                | 13.05  | February 9, 2004 |

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

| Name          | Securities<br>Acquired on<br>Exercise | Aggregate<br>Value<br>Realized | Unexercised Options at<br>Dec. 31, 1999 |               | Value of Unexercised in-the-money<br>Options at Dec. 31, 1999 |                     |
|---------------|---------------------------------------|--------------------------------|---|---------------|---|---------------------|
|               |                                       |                                | Exercisable                             | Unexercisable | Exercisable   | Unexercisable       |
|               | (#)                                   | (\$)                           | (#)                                     | (#)           | (\$) <sup>(1)</sup>   | (\$) <sup>(1)</sup> |
| D. D. Arthur  | —                                     | —                              | 31,520                                  | 96,080        | 11,712  | 46,848              |
| B. C. Collyer | —                                     | —                              | 51,080                                  | 72,120        | 8,190   | 25,860              |
| K. F. Mulroy  | —                                     | —                              | 54,520                                  | 58,880        | 153,302   | 40,008              |
| M. Pambianchi | —                                     | —                              | 18,000                                  | 72,000        | —   | —                   |
| K. H. Weaver  | —                                     | —                              | 35,960                                  | 49,240        | 72,832  | 35,628              |

(1) The common share price upon which these amounts are calculated was \$13.65, the closing price of the common shares on The Toronto Stock Exchange on December 31, 1999.

**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.

The aggregate indebtedness to the Corporation from all current or former Directors, executive officers, senior officers or employees of the Corporation is \$100,000 for an employment related loan described below.

| Name and Principal<br>Position  | Involvement of<br>Corporation or<br>Subsidiary | Largest Amount<br>Outstanding During<br>Year Ended<br>Dec. 31, 1999 | Amount<br>Outstanding as at<br>February 21, 2000 | Financially Assisted<br>Securities<br>Purchased During<br>Last Completed<br>Financial Year | Security For<br>Indebtedness <sup>(1)</sup>                                 |
|---|--|---|--|--|---|
|   |  | (\$)  | (\$)   | (#)  |   |
| Kieran F. Mulroy <sup>(1)</sup><br>Senior Vice-President,<br>General Counsel &<br>Corporate Secretary | Lender   | 104,513   | 104,513  | Nil  | Shares purchased<br>under the MSPP<br>secured by a life<br>insurance policy |
| Mauro Pambianchi <sup>(2)</sup><br>Senior Vice-President,<br>Retail                                   | Lender   | 100,000   | 100,000  | Nil  | Unsecured   |

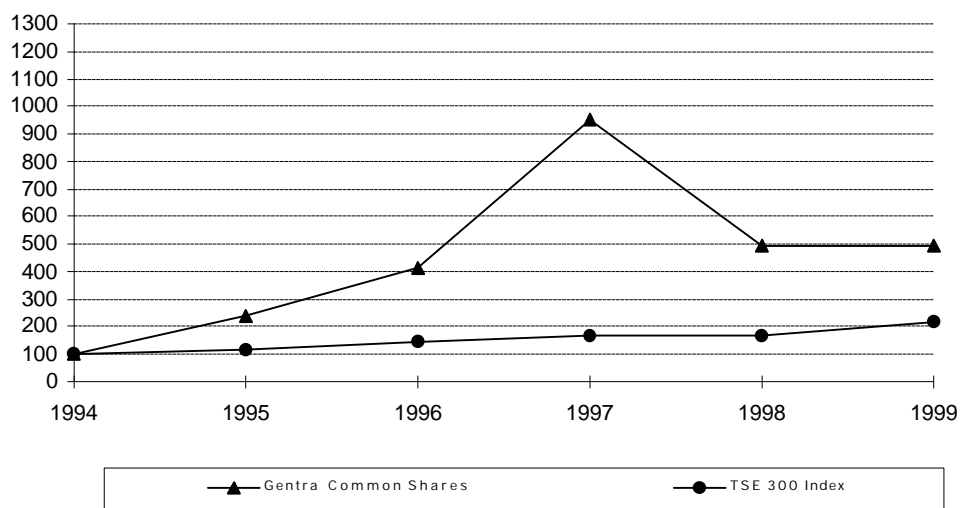
(1) The Corporation's MSPP involved the extension of a loan by a subsidiary of the Corporation to facilitate the purchase of common shares of the Corporation. The loan bears interest at the rate of common share dividends declared by the Corporation. The loan will fall due on the earlier of the date of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

(2) The loan was granted as part of Mr. Pambianchi's compensation arrangements. The loan is interest free for a term of 5 years and the outstanding principal is forgiven at a rate of \$10,000 per annum.

## 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, 1995 and ending December 31, 1999 (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, 1993 and that dividends were reinvested.

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



| <b>Gentra Inc.</b>   | <b>1994</b> | <b>1995</b> | <b>1996</b> | <b>1997</b> | <b>1998</b> | <b>1999</b> |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Gentra Common Shares | 100         | 242         | 415         | 955         | 491         | 496         |
| TSE 300 Index        | 100         | 115         | 147         | 169         | 166         | 219         |

## **CORPORATE GOVERNANCE PRACTICES**

The Corporation recognizes that sound corporate governance practices promote and protect the interests of Gentra's shareholders and employees while enhancing the environment in which Gentra carries on its business activities. The following describes Gentra's current corporate governance practices as approved by the Board of Directors.

The Corporation's Board of Directors oversees the management of the Corporation's business and affairs. The Board supervises management's activities and monitors its performance. All major decisions of the Corporation are approved by the Board. Two committees have been constituted by the Board with prescribed mandates described below. The main functions of the Board are to: approve the Corporation's business plan and oversee its implementation, approve all major investment and asset management decisions of the Corporation, monitor the Corporation's governance practices and implement necessary changes, ensure that the business risks of the Corporation are properly identified and managed, ensure that an adequate system of internal controls exists to safeguard the assets of the Corporation and support comprehensive financial reporting, establish and monitor the Corporation's Code of Conduct, approve compensation, monitor performance objectives and undertake succession planning for senior management, and oversee corporate communications including the review and approval of communications with shareholders through quarterly and annual financial statements and the annual report.

The Board's expectations of management are established as part of the Corporation's annual strategic planning process and are measured as part of that process and again in connection with more specific performance appraisals.

The Board meets at least once in each quarter, with additional meetings when appropriate. The Board also meets annually to review and approve the Corporation's business plan. The Board and committees are entitled to meet without management at their discretion and are entitled to engage outside advisers in circumstances they consider appropriate.

Communications from shareholders and other interested parties are directed to an investor relations representative who responds with the guidance of senior management. The Corporation also maintains a web site providing access to information on the Corporation. The Corporation's CEO and CFO meet on a regular basis with investment analysts to ensure the accuracy of information available to investors.

### ***BOARD COMPOSITION***

The Board is currently composed of 11 Directors, the majority of which are unrelated Directors. The President and Chief Executive Officer is an inside Director of the Corporation. On the current Board, the ten non-management "outside Directors" reflect the interests of the Corporation's shareholders. Four outside Directors including the Corporation's non-executive Chairman are unrelated to the Corporation but have relationships with Brookfield Properties Corporation (Brookfield), owner of 47% of the Corporation's common shares. Six outside Directors are unrelated and independent of any interests or relationships with Brookfield. The Board believes that this composition reflects an appropriate and effective balance of interests between the major shareholder and other shareholders. All Directors are elected to exercise independent judgement on all issues concerning the Corporation.

## **BOARD COMMITTEES**

The Corporation has constituted two committees with prescribed mandates summarized below.

The Nominating and Governance Committee is responsible for the identification and selection of prospective Directors and matters relating generally to corporate governance. In addition, the Committee is mandated to consider and make recommendations to the Board in relation to Board effectiveness, the size of the Board and the level of Directors' fees. The Corporation provides new Directors with background materials for orientation. Matters with potential conflicts of interest are reviewed and approved by independent Directors. The Nominating and Governance Committee is composed of three persons, two of whom are outside Directors independent of Brookfield and one who is not.

The Audit Committee is mandated to monitor the Corporation's financial reporting and internal controls and is composed of four persons, two of whom are outside Directors independent of Brookfield and two of whom are not. The Committee may, at its discretion, engage in direct communications with the Corporation's Chief Financial Officer and external auditors.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During 1999, 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 \$82,000.

## **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 commenced a proceeding against Gentra, certain of its current and former officers and Directors and others seeking relief under the provisions of that section of the CBCA in 1994. Mr. Budd indicated that the proceeding was to be certified as a class action but has not taken steps to certify the action. The claims relate to the period of time before the Corporation's 1993 Plan of Arrangement was implemented and are based on claims made by Mr. Budd regarding the management of the former Royal Trustco business and the disclosure of its financial condition. Since commencement, the only material developments are that the Ontario Court (General Division) has struck out claims against the officers and Directors and declined Mr. Budd's motion for interim funding and the appointment of an inspector. In addition, the Ontario Court of Appeal has upheld the decision to strike out the claims against the officers and Directors. Mr. Budd's former counsel indicated that the decision declining Mr. Budd's request for interim funding and the appointment of an inspector would be appealed though the appeal has yet to proceed. New counsel has since been appointed by Mr. Budd. Gentra has delivered its statement of defence, denying any wrongdoing, and continues to defend the action as necessary. In 1999, Gentra paid \$660.00 in legal fees on behalf of the Directors and officers named in the action. In 1998, the Corporation agreed in principle to a settlement arrangement which, subject to Court approval, would have resulted in the discontinuance of this action. However, the documents required to confirm this settlement were not executed by the Plaintiff and the settlement was not concluded.

## **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  
February 21, 2000

**SCHEDULE A**  
**TO THE**  
**MANAGEMENT PROXY CIRCULAR OF GENTRA INC.**

**Amendment of Articles to Reduce Size of Board of Directors**

**SPECIAL RESOLUTION**

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of the Corporation be amended to decrease the number of the Directors from eleven to ten; and
2. any Director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute and deliver Articles of Amendment, in duplicate, to the Director under the Canada Business Corporations Act and to execute all documents and to do all things as in the opinion of such person may be necessary or desirable in connection with the foregoing.



**Annual and Special Meeting of the Shareholders of Gentra Inc.  
to be held on April 14, 2000**

**THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF GENTRA INC.**

The undersigned shareholder of Gentra Inc. hereby appoints Robert J. Harding or failing him, David D. Arthur, or instead of the foregoing:

---

as proxy of the undersigned to attend, vote and act for and on behalf of the undersigned at the Annual and Special Meeting of shareholders of Gentra Inc., to be held April 14, 2000, and at all **adjournments thereof, with authority to vote as specified herein, or if no instructions are given the proxy will be voted in favour of the matters referred to herein, and if amendments or variations to matters identified in the notice of meeting are proposed at the meeting or if any further matters properly come before the meeting, this proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgement of the person voting this proxy at the meeting.**

This instrument supercedes and revokes any prior appointment of proxy made by the undersigned with respect to the voting of the shares specified below at the meeting.

1. Amendment of the Articles of the Corporation

- Vote for the Amendment of the Articles of the Corporation to decrease the number of Directors from 11 to 10; or
- Vote against the Amendment of the Articles of the Corporation.

2. Election of Directors

*(mark only one of the following)*

- Vote for election as Directors the nominees specified in the accompanying Management Proxy Circular; or
- Withhold from voting for the election of Directors; or
- Vote for the election as Directors the nominees specified in the accompanying Management Proxy Circular other than:

*(Please specify)*

---

3. Appointment of Auditor

- Vote for the Appointment of Deloitte & Touche as Auditor and authorize the Directors to fix the Auditor's remuneration; or
- Withhold from voting for the Appointment of Deloitte & Touche as Auditor.

Dated: \_\_\_\_\_ 2000  
*(if undated this proxy shall be deemed to bear the date on which it is mailed by Management of the Corporation)*

---

SIGNATURE OF REGISTERED SHAREHOLDER

## CHANGE OF ADDRESS NOTIFICATION

### NEW ADDRESS

Street: \_\_\_\_\_

Apartment/Unit: \_\_\_\_\_

City: \_\_\_\_\_ Province/State: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ 2000

Account No: \_\_\_\_\_ Shares: \_\_\_\_\_

#### NOTE:

- (1) **You have the right to appoint a person other than the person designated herein to attend and act on your behalf at the meeting.** Such appointment may be made by inserting such person's name in the space provided. Such other person need not be a shareholder.
- (2) To be valid, this proxy must be signed and deposited with CIBC Mellon Trust Company at 200 Queen's Quay East not later than 48 hours (excluding Saturdays and holidays) before the meeting or any adjournment thereof.
- (3) If an individual, please sign exactly as your shares are registered.
- (4) If the shareholder is a corporation, this proxy must be executed by a duly authorized officer or attorney of the shareholder and, if the corporation has a corporate seal, its corporate seal should be affixed.
- (5) If shares are registered in the name of an executor, administrator or trustee, please sign exactly as the shares are registered. If the shares are registered in the name of the deceased or other shareholder, the shareholder's name must be printed in the space provided, the proxy must be signed by the legal representative with his name printed below his signature and evidence of authority to sign on behalf of the shareholder must be attached to this proxy.
- (6) In many cases, shares beneficially owned by a holder (a "Non-Registered Holder") are registered in the name of a securities dealer or broker or other intermediary, or a clearing agency. Non-Registered Holders should, in particular, review the sections entitled "Solicitation of Proxies - Non-Registered Holders" and "Solicitation of Proxies - Right of Revocation" in the accompanying Management Proxy Circular and carefully follow the instructions of their intermediaries.
- (7) 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 amendment of the articles of the Corporation to change the number of Directors will require the affirmative vote of two-thirds of the votes cast either in person or by proxy. The election of Directors by holders of common shares is by cumulative voting as described below. A simple majority of the votes cast either in person or by proxy on any other matter voted upon at the Meeting is sufficient to carry such matter, except that in respect of the election of Directors by holders of common shares, voting is cumulative.
- (8) 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, Management intends 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 first table under "Election of Directors" in the accompanying Management Proxy Circular unless otherwise directed by the shareholder who has given such proxy.**

All holders of shares refer to the accompanying Management Proxy Circular for further information regarding completion and use of this proxy and other information pertaining to the meeting.