ARMBRO ENTERPRISES INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual meeting of the shareholders of Armbro Enterprises Inc. (the "Corporation") will be held at the Auditorium of The Toronto Stock Exchange, 2 First Canadian Place, Toronto, Ontario on June 20, 2001 at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended December 31, 2000 and the report of the auditors thereon;
2. to elect directors;
3. to reappoint the auditors; and
4. to transact such further and other business as may properly come before the meeting or any adjournment thereof.

A form of proxy and a Management Information Circular accompany this notice.

Shareholders are entitled to vote at the meeting either in person or by proxy. If you do not intend to attend the meeting in person, please exercise your right to vote by completing and signing the enclosed form of proxy and returning it by mail or delivery to the attention of the Chairman at the registered office of the Corporation or to Computershare Investor Services Inc., 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1. **Proxies to be used at the meeting must be deposited with the Corporation or Computershare Investor Services Inc. at least 48 hours preceding the time of the meeting or with the chairman of the meeting prior to commencement of the meeting.**

DATED at Toronto, Ontario the 15th day of May, 2001.

BY ORDER OF THE BOARD OF DIRECTORS OF
ARMBRO ENTERPRISES INC.

Bernard L. Kruyne
Secretary

ARMBRO ENTERPRISES INC.
3660 Midland Avenue
Toronto, Ontario
M1V 4V3

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxy

This Management Information Circular is furnished in connection with the solicitation of proxies by management for the annual meeting of the shareholders (the "meeting") of **ARMBRO ENTERPRISES INC.** (the "Corporation" or "Armbro") to be held on June 20, 2001, and, except where otherwise indicated, contains information as of May 1, 2001. The solicitation will be made primarily by mail, supplemented possibly by telephone or other personal contact by regular employees of the Corporation. The cost of the solicitation by management will be borne by the Corporation. The Corporation does not intend to pay any compensation for the solicitation of proxies by third parties, but will pay the reasonable expenses of brokers or other persons holding shares in their names or in the names of their nominees for forwarding the notice of meeting, proxy, Management Information Circular and related material to beneficial owners.

Appointment, Time for Deposit and Revocability 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 of the Corporation) to represent him or her at the meeting may do so by inserting such person's name in the blank space provided in the form of proxy and striking out the names of the persons specified, or by completing another proper form of proxy.** A proxy to be used at the meeting must be delivered or mailed to the registered office of the Corporation or to Computershare Investor Services Inc., 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1, so as to be received at least 48 hours preceding the time of the meeting. A shareholder who has given a proxy may revoke the proxy by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at such office of Computershare Investor Services Inc. or the registered office of the Corporation, at any time up to 48 hours preceding the time of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the meeting on the day of the meeting, or any adjournment thereof, or in any other manner permitted by law.

Voting Securities

On May 1, 2001, the Corporation had outstanding 17,924,515 common shares carrying the right to one vote per share.

The board of directors of the Corporation has fixed a record date of May 7, 2001 for the purpose of determining shareholders entitled to receive notice of the meeting. The failure of any shareholder to receive notice of the meeting does not deprive the shareholder of the right to vote at the meeting. If a person has acquired common shares of the Corporation after the record date, that person is entitled to vote those shares at the meeting upon producing properly endorsed share certificates, or otherwise establishing share ownership, and demanding the inclusion of his or her name in the list of shareholders not later than 10 days before the date of the meeting.

Except as indicated otherwise, approval of any matter at the meeting requires a majority of the votes cast at the meeting on the question.

In February 2000, the Corporation renewed its normal course issuer bid pursuant to the rules of The Toronto Stock Exchange ("TSE") pursuant to which the Corporation purchased 95,600 common shares at an average price of $2.96 during fiscal 2000. A copy of the Corporation's notice to the TSE may be obtained from the Corporation, without charge.

Exercise of Discretion by Holders of Proxies

The form of proxy forwarded to shareholders with the notice of meeting and this Management Information Circular provides the shareholder with an opportunity to specify that the shares registered in his or her name shall be voted or withheld from voting in respect of certain of the matters to be considered at the meeting. On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted for or against, or withheld from voting, in respect of the election of directors and the reappointment of auditors, in each case in accordance with the specifications made by shareholders in the manner referred to above. **In respect of proxies in which shareholders have not specified the manner of voting, the shares represented by proxies in favour of management nominees will be voted in favour of the election as directors of the persons listed as nominees in this Management Information Circular and the reappointment of PricewaterhouseCoopers LLP as auditors.**

The said form of proxy confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the notice of meeting or other matters which may properly come before the meeting. Management knows of no matters to come before the meeting other than the matters referred to in the notice of meeting. However, if any other matters which are not now known to management should properly come before the meeting, the shares represented by proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the proxy nominee.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to a substantial number of shareholders who do not hold their shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this section as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which company acts as a nominee for many Canadian brokerage firms. Shares held by brokers or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the meeting. A Beneficial Shareholder receiving a proxy with an IICC sticker on it cannot use that proxy to vote shares directly at the meeting; the proxy must be returned to IICC well in advance of the meeting in order to have the shares voted. All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Corporation, as at May 1, 2001, the only person or company who owns beneficially, directly or indirectly, or exercises control or direction over, more than 10% of the issued common shares of the Corporation is Hochtief Canada Inc., a wholly owned subsidiary of Hochtief AG of Essen, Germany. Hochtief Canada Inc. owns 8,744,197 common shares or approximately 48.78% of the issued and outstanding common shares of the Corporation.

Election of Directors

The articles of the Corporation provide for a minimum of eight and a maximum of fifteen directors and the present number of directors is eight. The board of directors has fixed the number of directors to be elected at the meeting at eight. It is proposed that each of the persons whose name appears below be elected as a director to serve until the close of the next annual meeting or until his successor is elected or appointed. Shares represented by proxies in favour of management will be voted in favour of the election of such persons as directors of the

Corporation, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the election of directors. Management of the Corporation does not contemplate that any of the said nominees will be unable to serve as a director, but should that occur prior to the meeting, the persons named in the enclosed form of proxy intend to vote for another nominee in their discretion.

The table below shows the names and municipalities of residence of all persons proposed to be nominated at the meeting for election as directors, the number of issued common shares of the Corporation owned beneficially, directly or indirectly, by them, or over which they exercise control or direction, the offices held by them with the Corporation (if any), their principal occupations, and the years they first became directors of the Corporation.

Name and Municipality of Residence	Office Held and Occupation	Year Became Director	Common Shares of the Corporation Owned or Controlled (1)
SCOTT C. BALFOUR, Oakville, Ontario	Executive Vice President and Chief Financial Officer of the Corporation	1995	518,981
JOHN M. BECK, Toronto, Ontario	Chairman and Chief Executive Officer of the Corporation	1963	1,165,179
MICHAEL A. BUTT, Gormley, Ontario	President, Buttcon Limited, General Contractors	1994	183,000
ROLF KINDBOM, Erin, Ontario	Consultant; Officer and Director of Hochtief Canada Inc., Holding Company	2000	NIL
HANS-WOLFGANG KOCH, Meerbusch, Germany	Deputy Chairman of the Corporation; Member of the Executive Board of Hochtief AG, Construction Company	2000	NIL
THOMAS LEPPERT, Dallas, Texas	Chairman and Chief Executive Officer of The Turner Corporation, Construction Company	2000	NIL
DR. BUSSO PEUS, Essen, Germany	Lead Director of the Corporation; Member of the Executive Board of Hochtief AG, Construction Company	2000	NIL
ROBERT P. WILDEBOER, Burlington, Ontario	Vice Chairman of the Corporation; Partner, Wildeboer Rand Thomson Apps & Dellelce LLP, Barristers and Solicitors	1993	219,500

Note:

(1) This information, not being within the knowledge of the Corporation, has been furnished by the respective directors individually and may include shares owned or controlled by spouses and/or children of the directors.

All of the above directors were elected at the last annual meeting of the Corporation. The members of the Audit Committee are Michael A. Butt, Rolf Kindbom and Thomas Leppert (Chair). The members of the Human Resources and Compensation Committee are Michael A. Butt, Hans-Wolfgang Koch (Chair) and Robert P. Wildeboer.

Pursuant to a standstill agreement dated March 20, 2000 between the Corporation and Hochtief AG and Hochtief Canada Inc. (collectively "Hochtief"), which was entered into in connection with the financing of the acquisition by the Corporation of BFC Construction Corporation ("BFC"), the Corporation and Hochtief have agreed that:

(1) the Board of Directors of the Corporation shall consist of eight or ten directors;

(2) three members of the Board shall be initially nominees of the Chief Executive Officer of Armbro on October 31, 1999, and thereafter shall be nominated by such three initial members, or such of them as

are directors at any time directors are to be proposed for election by shareholders or to be appointed by the Board in order to fill a vacancy, provided that, if none of such members remain as directors at the relevant time, such member shall be nominated by the then members of the Board nominated pursuant to paragraph (4) below;

(3) three members of the Board shall be nominees of Hochtief; and

(4) two or four members of the Board, to be nominated jointly by management of the Corporation and Hochtief, shall be independent of either the Corporation or Hochtief.

Hochtief is required to take all such action as may be necessary from time to time (including voting its shares) so that directors are elected as described above, although Hochtief is not required to vote in favour of the members or proposed members from time to time of the Board described in paragraph (2) above, although it has agreed not to vote against such members or proposed members.

Executive Compensation

Composition of the Human Resources and Compensation Committee

The Human Resources and Compensation Committee (the "Committee") is composed of three members of the Board of Directors: Michael A. Butt, Robert P. Wildeboer and Hans-Wolfgang Koch (Chair), none of whom are employees or former employees of the Corporation. The Committee makes recommendations to the Board of Directors on all aspects of compensation policy for the Corporation, including salary and salary structure for executives and employees, bonuses, stock options, pension arrangements and incentive plans and policies.

In early 2000, the Corporation successfully completed the acquisition of all the outstanding shares of BFC, which had been a public Canadian corporation with shares listed on The Toronto Stock Exchange. Prior to the Corporation's annual meeting in June, 2000, the Committee was comprised of Michael A. Butt, Robert P. Wildeboer (Chair) and Bruce Carruthers (the "Previous Committee"). The Previous Committee focused on compensation policy for Armbro Enterprises Inc. prior to the takeover of BFC. Since June, 2000, the Committee has focused on compensation issues of the combined company, and has dealt with and continues to deal with reviewing, assessing and integrating the compensation systems of Armbro and BFC, which have differed in significant respects. This process, while ongoing, is still not complete.

Report of the Human Resources and Compensation Committee

The Corporation's executive compensation program has been and is continuing to be designed to attract and retain highly competent individuals who can ensure the current and long term success of the Corporation by offering a combination of base salary, bonuses based on pre-defined goals and criteria, benefits and equity participation, primarily through the use of options to acquire common shares of the Corporation.

In making compensation recommendations in respect of the Corporation's 2000 fiscal year, the following factors have been considered relevant by the Committee and, to the extent relevant as described below, the Previous Committee:

(i) the financial results achieved by the Corporation's operations in fiscal 2000;

(ii) the workloads placed on the Corporation's senior management personnel in fiscal 2000, related in large part to the challenges of dealing with a significantly increased size and scope of operations. Management has dealt with challenges of increased production, pursuing additional corporate opportunities, the Corporation's continued significant involvement in Canadian Highways International Corporation ("CHIC"), which is involved in the development and construction of a large cross-country highway project in Israel, and other large projects in India, Vancouver, Poland and elsewhere; and

(iii) significant additional workloads placed on the Corporation's senior executives and officers in fiscal 2000 relating to the integration of BFC's operations with Armbro's operations and reorganizing the operations of the two corporations into one cohesive business entity, which is now the largest public construction and infrastructure development company in Canada.

Base Salary

Base salaries for fiscal 2000 were determined based on the skills, ability and experience of the individual executive, the need to attract and keep executives, relevant knowledge of the individual members of the Committee, and recommended base salary ranges applicable to all executive positions obtained from two independent compensation experts. While finding comparative information in the construction industry is difficult because most comparable construction companies are privately owned or are divisions of large public companies, the Committee believes base salaries of its executives are very competitive with industry norms and with public companies having comparable revenues to that of the Corporation. Adjustments in fiscal 2000 compared to fiscal 1999 were indicative of the additional responsibilities and scope requirements undertaken by the senior executives of the Corporation.

Bonus

Fiscal 2000 was a successful year for the Corporation from a financial perspective and the Committee continues to be pleased with the performance of the Corporation's senior management. The achievement of the net income levels obtained by the Corporation in a transition year while operations were being integrated represents, in the view of the Committee, a significant success.

The Corporation has had a form of executive bonus plan in place for more than ten years. The terms of such plan are that the executives of the Corporation be paid an aggregate bonus equal to the amount which is 3 percent of the consolidated income before interest and income taxes of the Corporation, determined in accordance with generally accepted accounting principles, after allowing for the deduction of all payments pursuant to other bonus plans. The bonuses to executives reflect the financial performance of the Corporation. The total bonus pool available for executives in fiscal 2000 was approximately $617,000 of which $557,000 was paid to named executive officers referred to below. In addition, one of the named executive officers was paid pursuant to BFC's former plan. In future years, the Committee anticipates that the size of the bonus to named executive officers will continue to be a direct function of the Corporation's profitability.

The Corporation also has bonus and incentive plans in place for each of its operating subsidiaries and divisions. The terms of these bonus plans currently vary between the Armbro and BFC operations, but they all provide bonus payments that are based upon the financial performance of each operation. The Corporation and the Committee are currently engaged, with assistance from external compensation experts, in reviewing and revising all of the Corporation's various bonus and incentive plans so as to ensure appropriate consistency in plan design between them.

In early fiscal 2000, the Corporation completed the acquisition of BFC, a transaction whose successful completion made the Corporation the largest public construction company in Canada, and which was in many respects the most significant transaction in the Corporation's history to date. The Previous Committee, together with the other independent directors of the Corporation, with the Vice-Chairman of the Corporation abstaining, considered the vision, hard work and sacrifice of the Corporation's Chairman and Chief Executive Officer, Chief Financial Officer and Vice-Chairman in relation to the successful acquisition of BFC, and awarded phantom shares to such persons as a reward therefor, as described below under "Long Term Incentive Plans". The phantom shares were structured to provide an incentive to increase shareholder value in future, but also to reflect a bonus for the successful completion of the takeover of BFC.

Stock Options

In previous years, the Corporation has granted options to employees, officers and directors on the basis of several factors, including past and current performance, incentivization and the ability of the Corporation to conserve cash through the use of options as compensation and bonus mechanisms. An aggregate of 1,584,000 options were granted in fiscal 2000. Of this amount, a relatively small percentage of options was granted to named executive officers — see chart below entitled "Options Grants During the Most Recently Completed Financial Year". A significant percentage of options were granted to less senior employees, to permit them to benefit from increases in the Corporation's share price, to incentivize them, and to align their interests with those of the Corporation's shareholders. All options granted in fiscal 2000 were "out-of-the-money" when granted, with an exercise price of $3.60 per share, and were subject to vesting provisions.

The foregoing report has been submitted by the members of the Human Resources and Compensation Committee for fiscal 2000.

Michael A. Butt
Hans-Wolfgang Koch (Chair)
Robert P. Wildeboer

Annual Paid Compensation

As at December 31, 2000, the Corporation had three named executive officers. The table below sets out compensation information for the three fiscal years ended December 31, 2000, for such executive officers.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation (1) ($)	Securities Under Options (#) (2)	Restricted Shares or Restricted Share Units ($)	LTIP (6) Payouts ($)	All Other Compensation ($)
John M. Beck, (3)	2000	450,000	332,000	—	200,000	—	—	—
Chairman & Chief	1999	290,000	168,125	—	—	—	—	—
Executive Officer	1998	270,000	93,125	—	—	—	—	—
Scott C. Balfour,	2000	250,000	186,000	—	150,000	—	—	—
Executive	1999	160,000	100,875	—	—	—	—	—
Vice President and	1998	140,000	46,563	—	—	—	—	—
Chief Financial Officer								
Norman A. Harrison, (4)	2000	47,735 (5)	186,000	—	100,000	—	—	—
Executive	1999	—	—	—	—	—	—	—
Vice President	1998	—	—	—	—	—	—	—

Notes:

(1) Perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the annual salary and bonuses of the named executive officers.

(2) The fair market value of the options is presented in the table below titled "Option Grants During the Most Recently Completed Financial Year".

(3) Amounts may include fees paid to a corporation controlled by Mr. Beck.

(4) Mr. Harrison was appointed an officer of the Corporation on July 20, 2000.

(5) In addition, Mr. Harrison receives an annual pension of $164,257 from BFC.

(6) Long Term Incentive Plan.

Long-Term Incentive Plans

Two executive officers were awarded incentives during 2000 pursuant to which they are entitled to payments under a long-term incentive arrangement as described below.

LONG-TERM INCENTIVE PLANS —
AWARDS IN MOST RECENTLY COMPLETED FINANCIAL YEAR

			Estimated Future Payouts Under Non-Securities-Price Based Plans		
Name	Securities Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Threshold ($ or #)	Target ($ or #)	Maximum ($ or #)
John M. Beck	180,000	3 years	—	—	—
Scott C. Balfour	165,000	3 years	—	—	—

Under the arrangement, which was implemented in 2000 following the successful acquisition of BFC at the end of 1999, the two executives are entitled to receive payments based on a notional number of common shares of the Corporation awarded to them and the trading price of the Corporation's common shares.

The payments are to be made on January 31 in each of the three years 2001, 2002 and 2003. Each payment equals one-third of the total number of notional shares granted to the particular executive multiplied by the simple average trading price of the common shares for the 21 trading days preceding January 31 in the particular year. The executive officers are also entitled to payment of an amount equal to any dividends paid on the shares of the Corporation based on the number of notional shares in respect of which the above incentive payment has not yet been made at the time of the dividend payment.

Options

Options to purchase an aggregate of 450,000 common shares were granted during the financial year ended December 31, 2000 to the Corporation's named executive officers.

The following table shows information regarding the grant of options during the financial year ended December 31, 2000 to the Corporation's named executive officers.

OPTION GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

Name	Securities Under Options (#)	% 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
John M. Beck	200,000	12.63	3.60	3.17	July 19, 2005
Scott C. Balfour	150,000	9.47	3.60	3.17	July 19, 2005
Norman A. Harrison	100,000	6.31	3.60	3.17/2.88 (1)	July 19, 2005

Note:

1. Options were granted on July 20, 2000 (50,000) and October 27, 2000 (50,000).

There were no options exercised by the named executive officers in the year 2000.

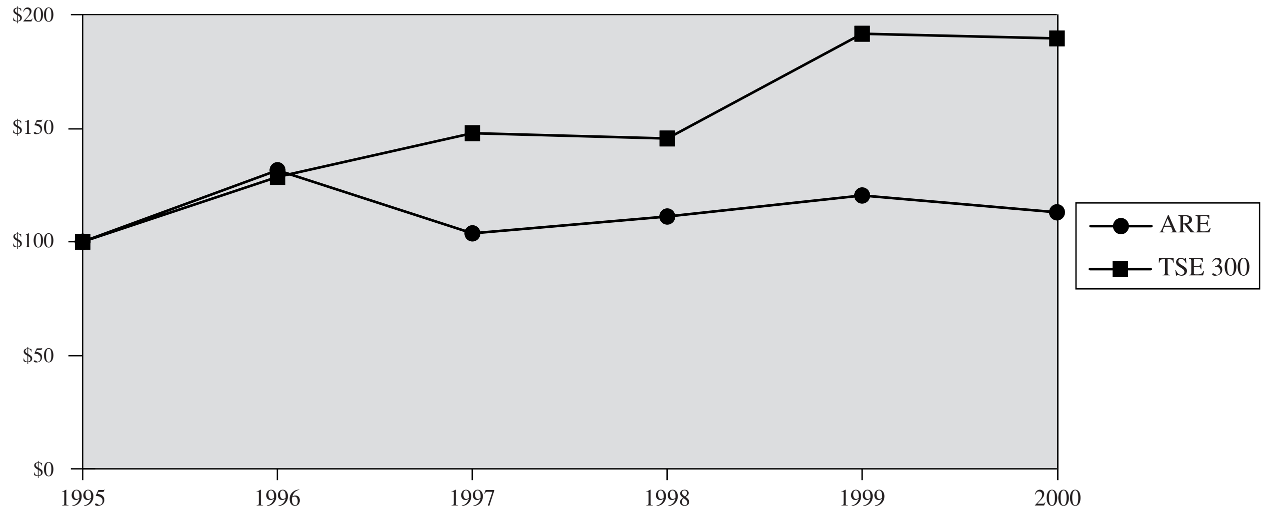
Other Compensation

The Corporation maintains both a pension plan and a medical and dental benefit plan for its named executive officers that are available generally to all salaried employees on the same terms. Certain officers who are former officers of BFC are members of BFC's Supplementary Executive Retirement Plan, which is not available to other named executive officers of the Corporation at this time.

Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in common shares of the Corporation on December 31, 1995 with the cumulative total return of the TSE 300 Stock Index for the five most recently completed financial years of the Corporation:

FIVE YEAR CUMULATIVE RETURN
$100 Invested in Armbro Common Shares vs TSE 300



	1995	1996	1997	1998	1999	2000
ARE	$100.00	$131.48	$103.70	$111.11	$120.37	$112.96
TSE 300	$100.00	$128.54	$147.80	$145.46	$191.59	$189.53

Employment Contracts

The Corporation has entered into employment agreements with John M. Beck, Chairman and Chief Executive Officer, and Scott C. Balfour, Executive Vice President and Chief Financial Officer of the Corporation. The agreements set out such officers' duties and responsibilities, as well as annual compensation, and include confidentiality, non-solicitation and non-competition provisions. The agreements also provide for a severance payment equal to 36 months' salary and bonus in the case of Mr. Beck, and 24 months' salary and bonus in the case of Mr. Balfour, at the then applicable rate, in the event of permanent disability, death or termination of employment by the Corporation, if without cause. Similarly, in the event of a change of control of the Corporation, if such executives are dismissed or resign during the ensuing 12 months, such executives are entitled to payments in the amount of 36 months' and 24 months' salary and bonus, respectively.

The Corporation has also entered into an employment agreement with Norman A. Harrison, Executive Vice President. The agreement sets out such officer's duties and responsibilities and annual compensation and includes accrued pension benefits based on the length of service to the termination date. Mr. Harrison's agreement terminates on August 21, 2003 but may be extended by mutual agreement.

Compensation of Directors

In fiscal 2000, outside directors each received an annual fee of $15,000, payable in two installments, and additional fees of $1,000 for each directors' meeting or committee meeting attended. Committee chairs received annual retainers of $2,500 each, also payable in two installments. In addition, during fiscal 2000, an aggregate of 450,000 options were granted to six outside directors each with a term of five years and an exercise price of $3.60 per share.

Mr. Kindbom, or companies controlled by him, received $133,000 in consulting fees from the Corporation or its affiliates during fiscal 2000. Mr. Wildeboer was awarded an incentive during fiscal 2000 pursuant to which he is entitled to receive payments as described under "Long Term Incentive Plans" above, based on a total of 150,000 notional shares.

Corporate Governance

The bylaws of the TSE require each listed corporation incorporated in Canada to make annual disclosure of its corporate governance practices with reference to guidelines developed by the TSE Committee on Corporate Governance in Canada. The Corporation and its Board of Directors recognize the importance of corporate governance to the effective management of the Corporation and to its shareholders and its other stakeholders. The Corporation's approach to significant issues of corporate governance is accordingly designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value. The Corporation and its Board of Directors have implemented procedures to ensure that the Corporation's corporate governance practices have been, and will continue to be, subject to review on a regular basis to ensure that adequate structures, procedures and processes are in place to develop approaches to, and address, significant issues of corporate governance. The Corporation's Statement of Corporate Governance Practices follows.

Mandate of the Board

The Board of Directors of the Corporation is responsible for the overall stewardship of the Corporation, and all fundamental decisions relating to the management of the Corporation are reviewed and approved in advance by the Board. In fulfilling its mandate, the Board:

- supervises the officers of the Corporation in their management of the business and affairs of the Corporation;
- oversees the Corporation's strategic planning process through devoting a portion of every board meeting to discuss strategic process and matters;
- identifies, with the advice of management, the principal risks to the Corporation's business, on an overall and specific project basis, and oversees the management of those risks through regular appraisal of management's practices on an ongoing basis;
- manages the Corporation's succession planning process including the appointment and appraisal of senior officers of the Corporation and periodic review of the Corporation's organizational structure;
- oversees communications by the Corporation with shareholders, the investment community, the media, government and the general public. The Board has assigned public relations responsibilities primarily to the Chief Executive Officer and the Chief Financial Officer. The Board, through and with the assistance of senior management, has established procedures to ensure the consistency in the manner that communications with the investment community, the media, the government and the general public are managed. The Audit Committee and the Board review press releases containing the quarterly and annual results of the Corporation prior to release; and
- is responsible for the integrity of the Corporation's internal control and management information systems.

The Board has not found it necessary to implement systems and policies to deal with risk management beyond the risk management procedures and policies already implemented by management.

Composition of Board

One of the TSE Report's guidelines recommends that a majority of directors should be "unrelated" in that they are free from any interest and any business or other relationship which could, or could be reasonably perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. The Board of Directors has analyzed the relationship of each of its members to the Corporation and has determined that the two current members who are also officers, namely, John M. Beck and Scott C. Balfour, are related and the other six are unrelated. Of these six, two members, namely, Michael A. Butt and Robert P. Wildeboer, are not related to, nor do they have interests in or relationships with, Hochtief, the principal shareholder of the Corporation.

The Board of Directors presently consists of eight directors. The Board of Directors considers eight directors to be an appropriate number given the Corporation's current size and workload, particularly given the extensive expertise and skill sets of the directors. It offers the Board the flexibility to respond quickly to corporate opportunities or challenges as they arise from time to time. Pursuant to the Standstill Agreement between the Corporation and Hochtief described under "Election of Directors" above, the size of the Board may be increased to ten members. Also, as discussed there, the composition of the Board will be as agreed under the Standstill Agreement and the persons proposed for election at the meeting have been nominated pursuant thereto.

Independence from Management

The TSE Report states that every board of directors should have in place appropriate structures and procedures to ensure that the board can function independently of management. The Chief Executive Officer of the Corporation, John M. Beck, is also the Chairman of the Board. In the view of the Board the fact that Mr. Beck occupies both offices does not impair the ability of the Board of Directors to act independently of management. If it is considered advisable, certain matters are also considered by the Board without management present. In March, 2001, Dr. Busso Peus was appointed as the Lead Director of the Board. The Lead Director's duties include representing the Corporation's outside and unrelated directors in discussions with senior management on corporate governance issues and related matters. The Deputy Chairman and Vice Chairman also provide considerable assistance in this regard. The Board may decide to adopt more formal structures if circumstances warrant.

Board Committees

The Board of Directors has two standing committees, the Audit Committee and the Human Resources and Compensation Committee. All members of these committees are outside directors and unrelated. The Board has adopted a policy that these and any other committees of the Board are generally to be comprised in this manner. Pursuant to the Standstill Agreement referred to above, Hochtief is entitled to one nominee on each Board committee.

The Audit Committee is responsible for reviewing and making recommendations to the Board on:

- financial statements and the related reports of management and external auditors;
- accounting and financial reporting procedures and methods;
- internal audit procedures and reports; and
- matters relating to external auditors, including the appointment and terms of engagement of external auditors and their reports relating to accounting, financial and internal audit matters.

The members of the Audit Committee have unrestricted direct access to the external auditors to discuss issues as appropriate. The Corporation does not have an internal audit department.

The Human Resources and Compensation Committee is responsible for reviewing and making recommendations to the Board on:

- salaries of senior management, including conducting negotiations in this regard, and, in connection therewith, reviewing the performance of the chief executive officer;
- issuance and allocation of options to purchase common shares of the Corporation to persons eligible, including officers, employees and directors; and
- administering the bonus, pension and incentive plans for executive officers and all other employees. See also the Report on Executive Compensation of this Committee under "Executive Compensation" above.

The Corporation does not have a nominating committee or corporate governance committee. The Board of Directors has assumed responsibility for developing the Corporation's approach to governance issues. Given the Board's size and the public company expertise of its members to date, it has been found unnecessary to establish a formal orientation and education program for new recruits to the Board or a formal process for assessing the effectiveness of the Board, its committees and its individual directors. The members of the Board are kept well informed of new developments in corporate governance, auditing issues and other fiduciary or regulatory matters, such as disclosure obligations.

Other Governance Matters

The Board of Directors has not developed a formal position description or mandate for the Chief Executive Officer nor specific written corporate objectives which the Chief Executive Officer is responsible for meeting. There is regular discussion between the Board and the Human Resources and Compensation Committee, on the one hand,

and the Chief Executive Officer, on the other, with respect to the performance of the Chief Executive Officer and members of management. This includes an assessment of their performance by the Human Resources and Compensation Committee as part of that Committee's review of compensation, benefits and option entitlements. Finally, while there is no formal policy as to what specific matters must be brought by the Chief Executive Officer to the Board for approval, it is well understood as a result of Board and legal practice that all material transactions and other material matters must be presented to the Board for approval.

The Board has determined that it is not necessary at this time to implement a policy whereby individual members of the Board are entitled to engage an outside adviser at the expense of the Corporation; however, the Board as a group may at its discretion engage outside advisors when deemed appropriate, at the expense of the Corporation.

Directors of the Corporation who are not employees have been compensated as described under "Directors' Compensation" above. The Board has traditionally considered compensation in light of the duties and responsibilities of directors and the financial circumstances of the Corporation and will continue to do so.

Indebtedness of Executive Officers and Directors

The executive and senior officers and the directors of the Corporation and their associates did not have any indebtedness to the Corporation or its subsidiaries in respect of the financial year ended December 31, 2000 except as set out in the table below, other than routine indebtedness or indebtedness that has been repaid. As of May 1, 2001, the aggregate indebtedness to the Corporation and its subsidiaries of all officers, directors, employees and former officers, directors and employees of the Corporation in connection with the purchase of securities was $1,653,291. Neither the Corporation nor any of its subsidiaries has guaranteed any indebtedness of any of such persons.

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

Name and Principal Position	Largest Amount Outstanding During 2000 ($)	Amount Outstanding as at May 1, 2001 ($)	Financially Assisted Securities Purchases During 2000 (#)	Security For Indebtedness
John M. Beck, Chairman & Chief Executive Officer	942,823	939,866	nil	none
Scott C. Balfour, Executive Vice President & Chief Financial Officer	371,340	362,891	nil	none
Norman A. Harrison, Executive Vice President	85,000	68,000	nil	none
James Rosien, President, Armbro Construction Limited	133,705	114,325	nil	none
Michael A. Butt, Director	44,071	22,036	nil	none
Robert P. Wildeboer, Vice Chairman & Director	54,373	51,416	nil	none
Shirley Duffy, Former Director	51,416	29,725	nil	none
Paul A.D. Mingay, Former Director	73,451	36,726	nil	none
Geoffrey M. Smith, Former Director	60,174	28,306	nil	none

This indebtedness arose to assist the executives and directors with the cost of acquiring and exercising options to purchase common shares of the Corporation. These loans bear interest at the "prescribed rate" as determined by the Canada Customs and Revenue Agency. All financial assistance was provided by the Corporation and not by any subsidiary.

As of May 1, 2001, the aggregate indebtedness to the Corporation and its subsidiaries not in connection with the purchase of securities of all officers, directors, employees and former officers, directors and employees of the Corporation was nil.

Insurance

The Corporation maintains insurance for the benefit of the directors and officers of the Corporation and its subsidiaries against liability in their respective capacities as directors and officers of the Corporation thereof. For the current year, the premium payable by the Corporation and the total amount of insurance purchased for the directors and officers as a group are $100,089 and $25 million respectively. The directors and officers are not required to pay any premium in respect of the insurance.

Auditors

It is intended that the shares represented by proxies in favour of management nominees will be voted in favour of the reappointment of PricewaterhouseCoopers LLP, of Mississauga, Ontario, as auditors of the Corporation, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the appointment of auditors.

The directors negotiate with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. The directors believe that the fees negotiated in the past with the auditors of the Corporation are reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services.

Directors' Approval

The Board of Directors of the Corporation has approved the contents and sending of this Management Information Circular.

DATED at Toronto, this 15th day of May, 2001.

Bernard L. Kruyne
Secretary

ARMBRO ENTERPRISES INC.

INSTRUMENT OF PROXY SOLICITED BY MANAGEMENT

The undersigned shareholder of Armbro Enterprises Inc. (the "Corporation") hereby appoints John M. Beck, Chairman, or, failing him, Scott C. Balfour, Executive Vice President and Chief Financial Officer, or instead of either of them (see Note 1) ______________________________ as proxyholder of the undersigned to attend, vote and act for and on behalf of the undersigned at the **Annual Meeting of Shareholders of the Corporation to be held on June 20, 2001 at The Toronto Stock Exchange** and at any adjournment thereof and, without limiting the general authorization and power hereby given, specifies that the shares registered in the name of the undersigned be voted in the following manner:

1. VOTE ☐ or WITHHOLD FROM VOTING ☐ in the election of directors.

2. VOTE ☐ or WITHHOLD FROM VOTING ☐ in the reappointment of auditors.

If any amendments or variations to the matters referred to above or to any other matters identified in the notice of meeting are proposed at the meeting or any adjournment or adjournments thereof, or if any other matters which are not now known to management should properly come before the meeting or any adjournment or adjournments thereof, **this proxy confers discretionary authority on the person voting** the proxy to vote on such amendments or variations or such other matters in accordance with the best judgment of such person.

The shares represented by this instrument of proxy, if in favour of a person designated in this form, will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **Where no choice is specified, the shares will be VOTED in the election of directors and reappointment of auditors.**

The undersigned hereby revokes any proxy previously given.

DATED the   day of   , 2001.

____
Shareholder's Signature
(See Note 2)

Notes:

1. **Each Shareholder has the right to appoint a person to represent him or her at the meeting other than the persons specified above.** Such right may be exercised by striking out the names of the specified persons and by inserting in the blank space provided the name of the person to be appointed, who need not be a shareholder of the Corporation.

2. This proxy must be executed by the shareholder or his or her attorney duly authorized in writing. If the shareholder is a corporation, this proxy must be executed under its corporate seal or by an officer or attorney thereof duly authorized. Also, please date this proxy. If not dated, it shall be deemed to be dated on the day on which it is mailed.

3. Proxies to be used at the meeting must be deposited with the Corporation or Computershare Investor Services Inc., 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1 at least 48 hours preceding the time of the meeting or with the chairman of the meeting prior to commencement of the meeting.

Les actionnaires qui désirent, à l'avenir, recevoir la documentation en français sont priés de cocher la case suivante ☐ .