



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#49038**

**Date:** July 26, 2021

**Subject:** Brookfield Property Partners L.P. (Election Merger) – Contract Adjustment  
Option Symbol: BPY  
New Symbol: BAM2  
Date: 07/27/21

On July 16, 2021, Unitholders of Brookfield Property Partners L.P. (BPY) voted concerning the proposed merger with Brookfield Asset Management Inc. (BAM). The merger was approved and subsequently consummated on July 26, 2021.

BPY Unitholders will receive consideration with a value of approximately \$18.17, consisting of either cash, Brookfield Asset Management Inc. (BAM) Common Shares, Brookfield Property Preferred L.P. (“New LP”) Units, or a combination of cash, BAM shares, and New LP Units at the election of the holder as described below.

BAM Shares trade on the NYSE, and Brookfield Property Preferred Limited Partnership units will be listed on Nasdaq under a trading symbol BPYPM.

#### **The Merger: Aggregate Terms**

In the aggregate, the maximum cash consideration will be approximately 50% of the total value of the Units (\$3.27 billion in total cash payable to Public Unitholders), a maximum amount of BAM Shares will be equal to approximately 42% of the total value of the Units (59.3 million BAM Shares payable to Public Unitholders), and a maximum amount of New LP Preferred Units will be approximately 8% of the total value of the Units (\$500 million in liquidation preference of New LP Preferred Units payable to Public Unitholders), as described in the BPY/BAM Proxy Statement/ Prospectus dated June 8, 2021 (“Proxy”).

#### **The Merger: Individual Share Elections**

Within the terms of the Merger, individual BPY Unitholders may:

- Elect to receive \$18.17 in cash (“Cash Consideration”). Cash Consideration is subject to proration. OR,
- Elect to receive 0.3979 Brookfield Asset Management Inc. (BAM) Common Shares (“BAM Share Consideration”). The BAM Share Consideration is subject to proration. Cash will be paid in lieu of fractional BAM shares. OR,
- Elect to receive 0.7268 of a preferred unit to be issued by Brookfield Property Preferred L.P. (“New LP”) (“New LP Preferred Unit Consideration”), subject to adjustment as described in the Proxy. The New LP Preferred Unit Consideration is subject to proration. Cash will be paid in lieu of fractional New LP units. OR,

- Register no preference by not making an election. Unitholders who fail to make an election will be deemed to have elected to receive 50.4678% of the Cash Consideration, 41.8104% of the BAM Share Consideration, and 7.7218% of the New LP Preferred Unit Consideration (together, the "Default Consideration"). The Default Consideration is subject to proration. Cash will be paid in lieu of fractional BAM shares and fractional New LP units.

Elections must be submitted to the exchange agent, AST Trust Company. The election deadline was on 5:00 p.m., Toronto time, on July 20, 2021. BPY Unitholders must observe all terms and conditions for the election as specified in the Proxy Statement dated June 8, 2021. It should be noted that it is unknown if units may be delivered pursuant to an election under "Notices of Guaranteed Delivery" which allows delivery of BPY units within a certain number of business days of submission of the notices. In all cases, Call option holders exercising in order to obtain stock for an election must exercise in sufficient time to be able to make valid delivery pursuant to the election procedures.

### **The Merger Consideration: Prorations**

All considerations will be subject to proration as described in the Proxy.

### **Contract Adjustment**

<b>Date:</b>	July 27, 2021
<b>Option Symbol:</b>	BPY changes to BAM2
<b>Strike Divisor:</b>	1
<b>Contract Multiplier:</b>	1
<b>New Multiplier:</b>	100 (e.g., a premium or strike price extensions, 1.00 yields \$100)
<b>New Deliverable Per Contract:</b>	<p>The deliverable for adjusted BPY options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING BPY UNITHOLDERS (stated in terms of a current 100-Share deliverable).</p> <ol style="list-style-type: none"> <li>1) Approximately 9 Brookfield Asset Management Inc. (BAM) Common Shares</li> <li>2) Cash in lieu of approximately 0.13 fractional BAM shares</li> <li>3) Approximately 6 Brookfield Property Preferred Limited Partnership (BPYPM) Units</li> <li>4) Cash in lieu of of approximately 0.57 BPYPM units</li> <li>5) Approximately \$1,238.00 Cash (\$12.38 x 100)</li> </ol> <p>Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.</p>
<b>Settlement Allocation:</b>	<p>BAM: 95%</p> <p>BPYPM: 5%</p>
<b>CUSIPs:</b>	<p>BAM: 112585104</p> <p>BPYPM: G1624R107</p>

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY

CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

### **Pricing**

Until the final merger consideration amounts and cash in lieu amounts are determined, the underlying price for BAM2 will be determined as follows:

$$\text{BAM2} = 0.0913 (\text{BAM}) + 0.0657 (\text{BPYPM}) + 12.38$$

### **Delayed Settlement**

OCC will delay settlement of the BAM, BPYPM, and cash components of the BAM2 deliverable until the final merger consideration and cash in lieu of fractional shares are determined. Upon determination of the final merger consideration and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of BAM and BPYPM shares and the appropriate cash amount.

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).