



**THE FOUNDATION
FOR SECURE
MARKETS**

#49039

Date: July 26, 2021

Subject: Brookfield Property REIT (Election Merger) – Contract Adjustment
Option Symbol: BPYU
New Symbol: BAM3
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.

Brookfield Property REIT (BPYU) is a subsidiary of BPY, intended to offer investors economic equivalence to BPY units but in the form of a U.S. REIT security. BPYU Shareholders will receive the Default consideration paid to BPY unitholders who do not make an election, with a value of approximately \$18.17, consisting of a combination of cash, BAM shares, and New LP Units 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: Individual Share Elections for BPY Unitholders

Within the terms of the Merger, individual BPY Unitholders could have done the following:

- 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.

BPYU Shareholders will receive the Default Consideration paid to BPY Unitholders.

The Merger Consideration: Prorations

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

Contract Adjustment

Date:	July 27, 2021
Option Symbol:	BPYU changes to BAM3
Strike Divisor:	1
Contract Multiplier:	1
New Multiplier:	100 (e.g., a premium or strike price extensions, 1.00 yields \$100)
New Deliverable Per Contract:	<p>The deliverable for adjusted BPYU 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">1) Approximately 9 Brookfield Asset Management Inc. (BAM) Common Shares2) Cash in lieu of approximately 0.13 fractional BAM shares3) Approximately 6 Brookfield Property Preferred Limited Partnership (BPYPM) Units4) Cash in lieu of of approximately 0.57 BPYPM units5) Approximately \$1,238.00 Cash (\$12.38 x 100) <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>

Settlement Allocation:

BAM: 95%
BPYPM: 5%

CUSIPs:

BAM: 112585104
BPYPM: G1624R107

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 BAM3 will be determined as follows:

$$\text{BAM3} = 0.0913 (\text{BAM}) + 0.0657 (\text{BPYPM}) + 12.38$$

Delayed Settlement

OCC will delay settlement of the BAM, BPYPM, and cash components of the BAM3 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@theoocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoocc.com.