

BPO Properties

NOTICE OF SPECIAL MEETING

AND

MANAGEMENT PROXY CIRCULAR

Concerning a special meeting to approve

a plan of arrangement involving

BPO PROPERTIES LTD.

March 28, 2013

These materials are important and require your immediate attention. They require shareholders of BPO Properties Ltd. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors.

(This page has been left blank intentionally.)

BPO Properties

March 28, 2013

To the Preferred Shareholders of BPO Properties Ltd.:

On behalf of the Board of Directors of BPO Properties Ltd. (the “**Corporation**”), I would like to invite you to a Special Meeting of the Corporation’s preferred shareholders to be held on Friday, April 26, 2013 at 2:00 p.m. (EDT) at Brookfield Place, 181 Bay Street, 3rd Floor, Toronto, Ontario.

The purpose of the meeting is to consider and vote upon a special resolution approving a transaction whereby the existing preferred shares of the Corporation, other than the Series O Shares (as defined in the Circular), that are currently outstanding will be exchanged for Class AAA Preference Shares of Brookfield Office Properties Inc. (“**BPO**”) having substantially the same terms and conditions as the preferred shares of the Corporation. The Series O Shares will likewise be exchanged, but for preferred shares of a wholly-owned subsidiary of BPO, having terms and conditions that are substantially the same as the Series O Shares. The transaction will be effected by way of a court-approved plan of arrangement more fully described in the attached Management Proxy Circular for the Special Meeting of Shareholders (the “**Circular**”).

BPO, through a wholly-owned subsidiary, acquired 100% of the outstanding common shares of the Corporation in 2010 in connection with the formation of Brookfield Canada Office Properties (formerly Brookfield Office Properties Canada), a limited purpose unincorporated, closed-ended real estate investment trust. Since that time, the Corporation has continued to be a reporting issuer with publicly traded preferred shares. The transaction will reduce administrative costs and simplify operations for the Brookfield Office Properties group.

Attached is the Notice of Special Meeting of Shareholders and the Circular that contain important information relating to the transaction. All preferred shareholders of the Corporation are urged to read this information carefully. If you are in doubt as how to deal with the matters described in these materials, you should consult your own legal, tax, financial or other professional advisors.

Our board of directors established a special committee of independent directors of the Corporation to assess the terms of the transaction. The special committee engaged legal counsel and a financial advisor and met to evaluate the transaction. The special committee also obtained an opinion of its financial advisor that the transaction is fair, from a financial point of view, to preferred shareholders of the Corporation, other than Brookfield (as defined in the Circular) (the “**Minority Shareholders**”). After reviewing the opinion of its financial advisor and the terms of the transaction, the special committee unanimously determined that the transaction is fair to the Minority Shareholders and recommended that the Corporation proceed with the transaction. The board of directors, on the recommendation of the special committee, has determined that the transaction is in the best interests of the Corporation and unanimously recommends that preferred shareholders vote in favour of the transaction.

You are invited to attend the special meeting. However, if you are unable to attend, we would appreciate your signing and returning the accompanying form of proxy so that your vote is recorded. In the meantime, if you have any questions, please contact our Investor Relations department at (212) 417-7000.

If shareholders vote at the meeting to approve the transaction, it is anticipated that the transaction will become effective on or about April 29, 2013.

Sincerely,

(signed) “Jan Sucharda”

President and Chief Executive Officer

(This page has been left blank intentionally.)

BPO PROPERTIES LTD.
Brookfield Place, 181 Bay Street, Suite 330
Toronto, Ontario
M5J 2T3

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of preferred shareholders of BPO PROPERTIES LTD. (the “**Corporation**”) will be held at 2:00 p.m. (EDT) on Friday, April 26, 2013, at Brookfield Place, 181 Bay Street, 3rd Floor, Toronto, Ontario for the following purposes:

1. To consider, pursuant to an interim order of the Ontario Superior Court of Justice dated March 28, 2013 (the “**Interim Order**”), and, if deemed advisable, to approve, with or without amendment, a special resolution (the “**Special Resolution**”) approving an arrangement pursuant to section 192 of the *Canada Business Corporations Act* (the “**Arrangement**”) as described in the attached management proxy circular of the Corporation (the “**Circular**”).
2. To transact such other business, including any amendments and variations to the foregoing, as may properly come before the Meeting or any adjournment thereof.

A copy of the text of the Special Resolution and a copy of the plan of arrangement are attached as Appendices 1 and 2, respectively, to the Circular. The Circular provides additional information relating to the matters to be dealt with at the Meeting and is incorporated into and forms part of this notice of meeting.

A preferred shareholder of the Corporation who is unable to attend the Meeting in person and who wishes to ensure that such preferred shareholder’s shares will be voted at the Meeting is requested to complete, sign and date the enclosed form of proxy and deliver it by hand or by mail in accordance with the instructions set out in the form of proxy and the Circular. In order to be effective, a proxy must be mailed so as to reach or be deposited with CIBC Mellon Trust Company not later than 5:00 p.m. (EDT) on April 24, 2013 or if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the meeting or any adjournment thereof at which a proxy is to be used.

Pursuant to the Interim Order, a registered shareholder may dissent in respect of the Special Resolution by following the dissent procedures set forth in section 190 of the *Canada Business Corporations Act* (the “**Act**”). This dissent right is described in the accompanying Circular. If the Arrangement is completed, dissenting shareholders who comply with the procedures set forth in the Act will be entitled to be paid the fair value of their shares. This right is summarized in Appendix 6 to the Circular and section 190 of the Act is set forth in Appendix 7 to the Circular. Failure to comply strictly with the requirements set forth in section 190 of the Act may result in the loss of any right to dissent.

DATED at Toronto, Ontario, on March 28, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Deborah R. Rogers*”

Deborah R. Rogers

Secretary

TABLE OF CONTENTS

<p>GLOSSARY OF TERMS 1</p> <p>FORWARD-LOOKING STATEMENTS 3</p> <p>SUMMARY 5</p> <p>THE MEETING AND GENERAL PROXY INFORMATION 9</p> <p style="padding-left: 20px;">Who Can Vote 9</p> <p style="padding-left: 20px;">Purpose of Meeting 9</p> <p style="padding-left: 20px;">Q&A On Proxy Voting 10</p> <p style="padding-left: 20px;">Votes Necessary to Pass the Special Resolution 12</p> <p style="padding-left: 20px;">Voting Shares and Principal Holders Thereof 12</p> <p>SPECIAL BUSINESS 14</p> <p>INFORMATION REGARDING THE ARRANGEMENT 14</p> <p style="padding-left: 20px;">The Corporation 14</p> <p style="padding-left: 20px;">Background to the Arrangement 14</p> <p style="padding-left: 20px;">Recommendation and Reasoning of the Special Committee 15</p> <p style="padding-left: 20px;">Fairness Opinion 17</p> <p style="padding-left: 20px;">Recommendation of the Board of Directors 18</p> <p style="padding-left: 20px;">Terms of the Arrangement 18</p> <p style="padding-left: 20px;">Transaction Consideration 19</p> <p style="padding-left: 20px;">Preferred Share Ratings 19</p> <p style="padding-left: 20px;">Certain Canadian Federal Income Tax Considerations 20</p> <p style="padding-left: 20px;">Shareholder Approvals Required 21</p> <p style="padding-left: 20px;">Court Approval of the Arrangement 22</p> <p style="padding-left: 20px;">Right to Dissent 22</p> <p style="padding-left: 20px;">Filing of Articles of Arrangement 22</p> <p style="padding-left: 20px;">Procedure for the Surrender of Preferred Shares 23</p> <p>INFORMATION CONCERNING BROOKFIELD OFFICE PROPERTIES INC. 23</p> <p style="padding-left: 20px;">Brookfield Office Properties Inc. 23</p> <p style="padding-left: 20px;">Material Changes in Capitalization 24</p> <p style="padding-left: 20px;">BPO Capital Structure 25</p> <p style="padding-left: 20px;">Principal Shareholder of BPO 25</p> <p style="padding-left: 20px;">Auditors, Transfer Agent and Registrar 25</p> <p style="padding-left: 20px;">Earnings Coverage Ratios 25</p> <p>DETAILS OF THE BPO CLASS AAA PREFERENCE SHARES TO BE ISSUED UPON THE AMALGAMATION 26</p> <p style="padding-left: 20px;">BPO Class AAA Preference Shares as a Class 26</p> <p style="padding-left: 20px;">Certain Provisions of the BPO Class AAA Preference Shares, Series V 27</p>	<p style="padding-left: 20px;">Certain Provisions of the BPO Class AAA Preference Shares, Series W 28</p> <p style="padding-left: 20px;">Certain Provisions of the BPO Class AAA Preference Shares, Series X 30</p> <p style="padding-left: 20px;">Certain Provisions of the BPO Class AAA Preference Shares, Series Y 32</p> <p style="padding-left: 20px;">Certain Provisions of the BPO Class AAA Preference Shares, Series Z 34</p> <p>BPO DOCUMENTS INCORPORATED BY REFERENCE 36</p> <p>PRICE RANGE AND TRADING VOLUMES FOR THE PREFERRED SHARES 36</p> <p style="padding-left: 20px;">Series G Shares 37</p> <p style="padding-left: 20px;">Series J Shares 37</p> <p style="padding-left: 20px;">Series M Shares 38</p> <p>PRICE RANGE AND TRADING VOLUMES FOR BPO SHARES 38</p> <p>PRIOR SALES OF SECURITIES 41</p> <p>EFFECT OF THE ARRANGEMENT ON MARKETS AND LISTINGS 41</p> <p>RISK FACTORS 42</p> <p style="padding-left: 20px;">Risks Related to the Arrangement 42</p> <p style="padding-left: 20px;">Risks Related to the Preferred Share Consideration 42</p> <p>INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS 43</p> <p>AUDITORS, TRANSFER AGENT AND REGISTRAR 43</p> <p>LEGAL MATTERS 43</p> <p style="padding-left: 20px;">Counsel 43</p> <p style="padding-left: 20px;">Eligibility for Investment 43</p> <p>ADDITIONAL INFORMATION REGARDING THE CORPORATION — DOCUMENTS INCORPORATED BY REFERENCE 44</p> <p>AVAILABILITY OF PUBLIC DISCLOSURE DOCUMENTS 44</p> <p>APPROVAL AND CERTIFICATE 45</p> <p>INDEPENDENT AUDITOR'S CONSENT 46</p> <p>CONSENT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS 47</p> <p>KPMG CONSENT 48</p>
--	---

LIST OF APPENDICES

APPENDIX 1	
Special Resolution	
APPENDIX 2	
Plan of Arrangement	
APPENDIX 3	
Interim Order	
APPENDIX 4	
Notice of Application for Final Order	
APPENDIX 5	
Fairness Opinion	
APPENDIX 6	
Summary of Procedure to Exercise Dissent Right	
APPENDIX 7	
Section 190 of the <i>Canada Business Corporations Act</i>	

BPO PROPERTIES LTD.

MANAGEMENT PROXY CIRCULAR FOR SPECIAL MEETING OF PREFERRED SHAREHOLDERS

GLOSSARY OF TERMS

In this management proxy circular, the “Corporation”, “we”, “us” and “our” refers to BPO Properties Ltd., unless otherwise noted or the context requires otherwise.

The following is a glossary of terms used frequently throughout this management proxy circular and the summary thereof.

“**Act**” — The *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

“**affiliate**” — An affiliate within the meaning of section 2(1) of the Act.

“**Amalco**” — The corporation continuing as a result of the Amalgamation.

“**Amalco Common Shares**” — The common shares of Amalco to be issued on the Amalgamation.

“**Amalgamating Corporations**” — Brookfield Properties TRZ Investor Ltd., BPOP (Canada) Inc., Brookfield FMS Ltd. and 1043513 Alberta Ltd., all wholly-owned subsidiaries of BPO.

“**Amalgamation**” — The amalgamation of the Corporation and the Amalgamating Corporations pursuant to the Plan of Arrangement.

“**Arrangement**” — The proposed arrangement under the provisions of section 192 of the Act, on the terms and conditions set forth in the Plan of Arrangement as supplemented, modified or amended.

“**associate**” — An associate within the meaning of section 2(1) of the Act.

“**BPO**” — Brookfield Office Properties Inc.

“**BPO Class A Preference Shares**” — The cumulative class A preference shares of BPO.

“**BPO Class AA Preference Shares**” — The cumulative class AA preference shares of BPO.

“**BPO Class AAA Preference Shares**” — The cumulative class AAA preference shares of BPO.

“**BPO Common Shares**” — The common shares of BPO.

“**Brookfield**” — Brookfield Asset Management and any subsidiary of Brookfield Asset Management, including the Corporation and BPO.

“**Brookfield Asset Management**” — Brookfield Asset Management Inc.

“**Business Day**” — A day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business.

“**CDS**” — CDS Clearing and Depository Services Inc.

“**Circular**” — This management proxy circular of the Corporation.

“**Common Shareholder**” — A holder of Common Shares.

“**Common Shares**” — The common shares of the Corporation.

“**Court**” — The Ontario Superior Court of Justice (Commercial List).

“**Director**” — The director of corporations appointed under section 260 of the Act.

“**Dissenting Shareholder**” — A registered shareholder who, in connection with the Special Resolution, has exercised the right to dissent pursuant to section 190 of the Act in strict compliance with the provisions thereof, as modified by the Interim Order, and thereby becomes entitled to receive the fair value of the shares held by that shareholder.

“**Effective Date**” — The date shown on the certificate of arrangement, which date is anticipated to be on or about April 29, 2013.

“**Final Order**” — The final order of the Court approving the Arrangement pursuant to subsection 192(4) of the Act, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“**Interim Order**” — The interim order of the Court dated March 28, 2013 under subsection 192(4) of the Act containing declarations and directions with respect to the Arrangement and the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction, a copy of which is attached to this Circular as Appendix 3.

“**Meeting**” — The special meeting of Preferred Shareholders to be held on Friday, April 26, 2013, at 2:00 p.m. (EDT) to consider, among other things, the approval of the Special Resolution, and any adjournments thereof.

“**Notice**” — The notice of the Meeting accompanying this Circular.

“**NYSE**” — The New York Stock Exchange.

“**Plan of Arrangement**” — The plan of arrangement substantially in the form as Appendix 2, as amended or supplemented from time to time in accordance with the terms thereof.

“**Preferred Share Consideration**” — The BPO Class AAA Preference Shares to be issued to Preferred Shareholders (other than Dissenting Shareholders and holders of Series O Shares) on the Arrangement and, in the case of the Series O Shares, the series A preferred shares of Amalco to be issued to holders of Series O Shares on the Arrangement.

“**Preferred Shareholders**” — The holders of Preferred Shares.

“**Preferred Shares**” — The preferred shares of the Corporation, consisting of the Cumulative Redeemable Preferred Shares Series G (the “**Series G Shares**”), \$25.00 Floating Rate Cumulative Redeemable Preferred Shares Series J (the “**Series J Shares**”), Cumulative Redeemable Preferred Shares Series K (the “**Series K Shares**”), Cumulative Redeemable Preferred Shares Series M (the “**Series M Shares**”), Cumulative Perpetual Preferred Shares Series N (the “**Series N Shares**”) and Non-Cumulative Redeemable Preferred Shares Series O (the “**Series O Shares**”).

“**Record Date**” — April 1, 2013, the record date for receiving notice of the Meeting.

“**Special Resolution**” — The special resolution of the holders of the Preferred Shares concerning the Arrangement to be considered at the Meeting, substantially in the form set forth in Appendix 1 to this Circular.

“**subsidiary**” — A subsidiary within the meaning of section 2(1) of the Act.

“**Tax Act**” — The *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th suppl.), as amended.

“**TSX**” — The Toronto Stock Exchange.

“**TSXV**” — The TSX Venture Exchange.

FORWARD-LOOKING STATEMENTS

This Circular, including the documents incorporated by reference, contains forward-looking statements and information within the meaning of applicable securities legislation. These forward-looking statements reflect our management's current beliefs and are based on assumptions and information currently available to our management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "expect", "plan", "anticipate", "believe", "intend", "estimate", "potential", "continue", "should", "would", "could", "likely", or the negative of these terms or other comparable terminology. There can be no assurance that the Arrangement will be consummated or that the anticipated benefits will be realized. The Arrangement is subject to various approvals, consents and conditions and there can be no assurance that any such approvals or consents will be obtained or that such conditions will be fulfilled. Although our management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation or BPO to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Accordingly, we cannot give any assurance that our expectations or the expectations of BPO will in fact occur and caution that actual results may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, general economic conditions; local real estate conditions, including: the development of properties in close proximity to the Corporation's or BPO's properties; timely leasing of newly-developed properties and re-leasing of occupied square footage upon expiration; dependence on tenants' financial condition; the uncertainties of real estate development and acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; the impact of newly-adopted accounting principles on the Corporation's or BPO's accounting policies and on period-to-period comparisons of financial results; and other risks and factors described from time to time in the documents filed by the Corporation or BPO with the securities regulators in Canada and the United States, including in the Corporation's renewal annual information form under the heading "Business of BPO Properties – Company and Real Estate Industry Risks" and in its most recent interim management's discussion and analysis of financial results under the heading "Risks and Uncertainties", and in BPO's renewal annual information form under the heading "Business of Brookfield Office Properties – Company and Real Estate Industry Risks" and in its most recent interim management's discussion and analysis of financial results under the heading "Risks and Uncertainties". We do not undertake any obligation to publicly update or revise any forward-looking statements or information contained in this Circular or the documents incorporated by reference, whether as a result of new information, future events or otherwise, except as required by law.

NOTICE TO UNITED STATES SHAREHOLDERS OF THE CORPORATION

THE BPO CLASS AAA PREFERENCE SHARES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The solicitation of proxies and the transactions contemplated by the Arrangement involve the securities of a Canadian company. This Circular is subject to Canadian disclosure requirements that are different from those of the United States. Financial statements included or incorporated by reference in this document have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the United States federal securities laws as BPO is located in Canada, and some or all of its officers and directors are residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that the acquisition of BPO Class AAA Preference Shares in exchange for Preferred Shares under the Arrangement may have tax consequences both in the United States and in Canada. The consequences for holders who are resident in, or citizens of, the United States are not described fully in this document.

BPO Class AAA Preference Shares to be issued to U.S. Preferred Shareholders of the Corporation pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and will be issued in reliance upon the exemption from registration provided by Rule 802 under the U.S. Securities Act and exemptions provided under the securities laws of each state of the United States in which U.S. shareholders of the Corporation reside.

If the Preferred Shares held by a U.S. shareholder prior to the Arrangement were not "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, and the U.S. shareholder will not be an "affiliate" of BPO following the Arrangement, the BPO Class AAA Preference Shares issued to such shareholder may be resold in the United States without restriction under the U.S. Securities Act. As defined in Rule 144, an "affiliate" of a corporation is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under the common control with, such corporation.

SUMMARY

The following is a summary of certain significant information appearing elsewhere in this Circular. Certain capitalized terms used in this summary are defined in the Glossary of Terms. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Preferred Shareholders are urged to read this Circular and the attached Appendices in their entirety.

Date, Time and Place of Meeting

The Meeting of Preferred Shareholders will be held on Friday, April 26, 2013, at 2:00 p.m. (EDT), at Brookfield Place, 181 Bay Street, 3rd Floor, Toronto, Ontario.

Record Date

The Record Date for the determination of Preferred Shareholders entitled to notice of the Meeting is April 1, 2013.

Purpose of Meeting

At the Meeting, the Preferred Shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the Special Resolution approving the Arrangement, as set out in Appendix 1 to this Circular.

The Corporation

We own, develop and manage premier commercial office properties in select cities in Canada. Our commercial property portfolio consists of interests in 28 properties totaling 20.7 million square feet, including 4.0 million square feet of parking. Our development portfolio comprises six development sites totaling 5.5 million square feet.

Our strategy of owning, proactively managing and developing premier properties in dynamic and supply-constrained markets with high barriers to entry, has created one of Canada's most distinguished portfolios of office properties. As a subsidiary of BPO and Brookfield Asset Management, we benefit from the knowledge and expertise of Brookfield's affiliates.

Further information regarding our company and our business can be found under the heading "Information Regarding the Arrangement — The Corporation" and in the documents listed under the heading "Additional Information Regarding the Corporation — Documents Incorporated by Reference."

Reasons for the Arrangement

BPO, through a wholly-owned subsidiary, acquired 100% of the outstanding Common Shares in 2010 in connection with the formation of Brookfield Canada Office Properties (formerly Brookfield Office Properties Canada), a limited purpose unincorporated, closed-ended real estate investment trust. Since that time, we have continued to be a reporting issuer with publicly traded preferred shares. The Arrangement will reduce administrative costs and simplify operations for the Brookfield Office Properties group.

See "Information Regarding the Arrangement — Recommendation and Reasoning of the Special Committee".

Terms of the Arrangement

The Effective Date of the Arrangement is anticipated to be on or about April 29, 2013. If the Special Resolution is approved by the Preferred Shareholders and the Final Order is granted by the Court, on the Effective Date, (a) our articles will be amended to make certain technical amendments to the terms and conditions of the Preferred Shares to make them consistent with the terms and conditions of the BPO Class AAA Preference

Shares. Specifically, the amendments will (i) remove the requirement that at least 10% of the outstanding Preferred Shares be present in person or represented by proxy at any Preferred Shareholder meeting; and (ii) in any instance where Preferred Shareholders are entitled to vote, entitle every Preferred Shareholder to one vote for each Preferred Share held instead of one vote in respect of each \$1.00 issue price for each Preferred Share held; and (b) we will amalgamate with the Amalgamating Corporations and continue as Amalco.

As a result of the Amalgamation, all of the outstanding Preferred Shares, other than the Series O Shares, will be exchanged for series of BPO Class AAA Preference Shares having terms and conditions that are substantially the same as the Preferred Shares for which they have been exchanged. The Series O Shares are owned by a subsidiary of BPO. The Act prohibits a subsidiary from owning shares of its parent corporation and, as a result, the Series O Shares cannot be exchanged for BPO Class AAA Preference Shares. The Series O Shares will be exchanged for preferred shares of Amalco, having terms and conditions that are substantially the same as the Series O Shares for which they have been exchanged. BPO will hold all of the issued and outstanding Amalco Common Shares, making Amalco a wholly-owned subsidiary of BPO.

See “Information Regarding the Arrangement — Terms of the Arrangement”.

Recommendation of the Board

Our board of directors established a special committee of independent directors of the Corporation to assess the terms of the Arrangement (the “**Special Committee**”). The Special Committee engaged legal counsel and a financial advisor and met to evaluate the Arrangement. The Special Committee also obtained an opinion of its financial advisor that the Arrangement is fair, from a financial point of view, to Preferred Shareholders other than Brookfield (the “**Minority Shareholders**”). After reviewing the opinion of its financial advisor and the terms of the Arrangement, the Special Committee unanimously determined that the Arrangement is fair to the Minority Shareholders and recommended to the board of directors that the Corporation proceed with the transaction. The board of directors, on the recommendation of the Special Committee, has determined that the transaction is in the best interests of the Corporation and **unanimously recommends that Preferred Shareholders vote in favour of the transaction.**

See “Information Regarding the Arrangement — Background to the Arrangement”, “Information Regarding the Arrangement — Recommendation and Reasoning of the Special Committee”, “Information Regarding the Arrangement — Recommendation of the Board of Directors” and “Information Regarding the Arrangement — Fairness Opinion.”

Brookfield Office Properties Inc.

BPO owns, develops and manages premier office properties in the United States, Canada and Australia. BPO’s portfolio is comprised of interests in 110 properties totaling 76 million square feet in the downtown cores of New York, Washington, D.C., Houston, Los Angeles, Denver, Seattle, Toronto, Calgary, Ottawa, London, Sydney, Melbourne and Perth, making BPO the global leader in the ownership and management of office assets. Landmark properties include Brookfield Places in New York, Toronto and Perth, Bank of America Plaza in Los Angeles, Bankers Hall in Calgary and Darling Park in Sydney. BPO is listed on the NYSE and the TSX.

Further information regarding BPO and its business can be found under the heading “Information Concerning Brookfield Office Properties Inc.” and in the documents listed under the heading “BPO Documents Incorporated by Reference.”

Transaction Consideration

If the Arrangement is approved by the Preferred Shareholders and the Court pursuant to the Final Order, each Preferred Shareholder (other than Dissenting Shareholders) will receive the Preferred Share Consideration on the Effective Date.

Following the Arrangement, the Series G Shares, Series J Shares, Series K Shares, Series M Shares and Series N Shares will represent the BPO Class AAA Preference Shares, Series V, BPO Class AAA Preference Shares, Series W, BPO Class AAA Preference Shares, Series X, BPO Class AAA Preference Shares, Series Y and BPO Class AAA Preference Shares, Series Z, respectively, and the Series O Shares will represent the series A preferred shares of Amalco, until replaced against transfer.

See “Information Regarding the Arrangement — Transaction Consideration.”

Certain Canadian Federal Income Tax Considerations

A Preferred Shareholder (other than Brookfield) who, on the Arrangement, exchanges their Preferred Shares for BPO Class AAA Preference Shares will not realize a capital gain or capital loss for Canadian federal income tax purposes on the exchange.

The tax treatment to a holder of BPO Class AAA Preference Shares under the Tax Act of taxable dividends received on a particular series of BPO Class AAA Preference Shares will be the same as the treatment of dividends on the Preferred Shares exchanged therefor.

The foregoing is qualified by the more detailed summary that appears under “Information Regarding the Arrangement — Certain Canadian Federal Income Tax Considerations”.

Shareholder Approvals Required

The Special Resolution concerning the Arrangement must be passed by at least 66 2/3% of the votes cast in person or represented by proxy at the Meeting by holders of Preferred Shares present. The Arrangement encompasses both the amendments to our articles and the Amalgamation and, as a result, they are not being voted on as separate matters.

Brookfield Asset Management holds, directly and indirectly, Preferred Shares which carry approximately 69.2% of the votes attaching to all outstanding Preferred Shares of the Corporation. Brookfield Asset Management has advised us that it intends to vote all of its Preferred Shares in favour of the Special Resolution.

See “Information Regarding the Arrangement — Shareholder Approvals Required”.

Court Approval

Pursuant to the Act, the Arrangement requires approval of the Court. Prior to the mailing of this Circular, we obtained the Interim Order. If Preferred Shareholders approve the Special Resolution at the Meeting, we will make an application for the Final Order approving the Arrangement at 10:00 a.m. (EDT) on April 29, 2013, or as soon thereafter as is reasonably practicable, before the Court. At the hearing for the Final Order, approval by the Court will be granted if the Court determines that the Arrangement meets the requirements of the Interim Order and the Act, that nothing has been done or purported to be done that is not authorized by the Act, and that the Arrangement is fair and reasonable.

See “Information Regarding the Arrangement — Court Approval of the Arrangement and Completion of the Arrangement”.

Right to Dissent

Registered holders of Preferred Shares have the right to dissent in respect of the Arrangement and to be paid in cash the fair value of the Preferred Shares held in the manner provided in section 190 of the Act, subject to the Interim Order, which requires that written objections be delivered by 5:00 p.m. (EDT) on the last Business Day before the date of the Meeting or any adjournment thereof. Fair value is fixed by the Court, and determined as at the close of business on the day before the Special Resolution approving the Arrangement is adopted. Failure by a Dissenting Shareholder to adhere strictly to the requirements of the Act and the Interim Order may result in the loss or unavailability of rights under that section.

See “Information Regarding the Arrangement — Right to Dissent”.

Price Range and Trading Volume for the Preferred Shares

The Series G Shares, Series J Shares and Series M Shares are the only shares of the Corporation listed on any stock exchange.

The closing price of the Series G Shares on the TSXV on March 20, 2013, the last date on which the Series G Shares traded prior to the announcement of the proposed Arrangement, was \$14.30.

The closing price of the Series J Shares on the TSXV on March 21, 2013, the last date on which the Series J Shares traded prior to the announcement of the proposed Arrangement, was \$14.35.

The closing price of the Series M Shares on the TSXV on March 21, 2013, the last date on which the Series M Shares traded prior to the announcement of the proposed Arrangement, was \$14.50.

See “Price Range and Trading Volumes for the Preferred Shares”.

Effect of the Arrangement on Markets and Listings

Shortly after the Effective Date, it is intended that the Series G Shares, Series J Shares and Series M Shares will be delisted from the TSXV, and that the BPO Class AAA Preference Shares, Series V will be listed on the TSX in substitution for the Series G Shares, the BPO Class AAA Preference Shares, Series W will be listed on the TSX in substitution for the Series J Shares and the BPO Class AAA Preference Shares, Series Y will be listed on the TSX in substitution for the Series M Shares. The TSX has conditionally approved the listing of the BPO Class AAA Preference Shares, Series V, W and Y, subject to fulfilling all the requirements of the TSX. It is expected that these shares will trade under the stock symbols “BPO.PR.X”, “BPO.PR.W” and “BPO.PR.Y”, respectively.

See “Effect of the Arrangement on Markets and Listings”.

THE MEETING AND GENERAL PROXY INFORMATION

This Circular is provided in connection with the solicitation by our management of proxies to be used at the Meeting of Preferred Shareholders referred to in the accompanying Notice to be held at Brookfield Place, 181 Bay Street, 3rd Floor, Toronto, Ontario, Canada on Friday, April 26, 2013 at 2:00 p.m. (EDT).

The solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation.

The information in this Circular is given as at March 26, 2013, unless indicated otherwise. No person has been authorized to give any information or to make any representations in connection with the Arrangement other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Corporation. This Circular does not constitute the solicitation of an offer to acquire any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Unless otherwise indicated, all dollar references in this Circular are to Canadian dollars.

Who Can Vote

As of March 26, 2013, the Corporation had outstanding 10,270,027 Preferred Shares. If you are a holder of Preferred Shares of record at the close of business on Monday, April 1, 2013, the Record Date established for the receipt of notice of and for voting at the Meeting, you will, except as provided below, be entitled to one vote in respect of each \$1.00 issue price for each Preferred Share you held on all matters that come before the Meeting or any adjournment thereof.

For a description of the procedures to be followed by non-registered shareholders to direct the voting of shares beneficially owned, please refer to the answer to the question "If my shares are not registered in my name but are held in the name of an Intermediary, how do I vote my shares?" on page 13 of this Circular.

Purpose of Meeting

At the Meeting, Preferred Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, the Special Resolution approving the Arrangement, as set out in Appendix 1 to this Circular. The Special Resolution must be approved by at least two-thirds of the votes cast by Preferred Shareholders. We are not aware of any other matters to be considered at the Meeting. However, you may also vote on any other business that may properly come before the Meeting.

Pursuant to the Arrangement, (a) certain technical amendments will be made to the terms and conditions of the Preferred Shares with respect to the number of votes attaching to the Preferred Shares in any instance where Preferred Shareholders are entitled to vote and the quorum requirement to be consistent with those terms and conditions of the BPO Class AAA Preference Shares; and (b) we will amalgamate with the Amalgamating Corporations to form Amalco which will be a corporation wholly-owned by BPO and:

- (a) each issued and outstanding Preferred Share (other than those held by Dissenting Shareholders and holders of Series O Shares) will be exchanged for BPO Class AAA Preference Shares having terms and conditions which are substantially the same as the Preferred Shares;
- (b) each issued and outstanding Series O Share will be exchanged for one series A preferred share of Amalco having terms and conditions which are substantially the same as the Series O Shares; and

- (c) Dissenting Shareholders will be entitled to be paid the fair value of their Preferred Shares.

Q&A On Proxy Voting

Q: Who is entitled to vote?

A: Preferred Shareholders as at the close of business on April 1, 2013 are entitled to vote. Each Preferred Shareholder is entitled to one vote in respect of each \$1.00 issue price for each Preferred Share held.

Q: How do I vote?

A: If you are a registered Preferred Shareholder, you may vote in person at the Meeting or you may sign the enclosed form of proxy appointing the named persons or some other person you choose, who need not be a Preferred Shareholder, to represent you as proxyholder and vote your shares at the Meeting. If your shares are held in the name of a bank, trust company, securities dealer, broker, trustee or other person (an **“Intermediary”**), please refer to the answer to the question **“If my shares are not registered in my name but are held in the name of an Intermediary, how do I vote my shares?”** on page 13 for voting instructions.

Q: What if I plan to attend the Meeting and vote in person?

A: If you are a registered Preferred Shareholder and plan to attend the Meeting on April 26, 2013 and wish to vote your shares in person at the Meeting, please register with Canadian Stock Transfer Company Inc., acting as administrative agent for the transfer agent, CIBC Mellon Trust Company, upon arrival at the Meeting. Your vote will be taken and counted at the Meeting. If your shares are held in the name of an Intermediary, please refer to the answer to the question **“If my shares are not registered in my name but are held in the name of an Intermediary, how do I vote my shares?”** on page 13 for voting instructions.

Q: What if I sign the form of proxy sent to me?

A: Signing the enclosed form of proxy give authority to Deborah R. Rogers or Michelle L. Campbell, the Secretary and Assistant Secretary of the Corporation, respectively, or to another person you have appointed, to vote your shares at the Meeting.

Q: Can I appoint someone other than these directors to vote my shares?

A: Yes. **You have the right to appoint a person or company other than the directors of the Corporation named on the form of proxy to be your proxyholder;** the person or company does not need to be another Preferred Shareholder. Write the name of this person or company, who need not be a Preferred Shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Canadian Stock Transfer Company Inc.

Q: What do I do with my completed proxy?

A: Return it to the Corporation’s transfer agent, CIBC Mellon Trust Company, in the envelope provided or by fax at (416) 368-2502 or 1-866-781-3111 by no later than 5:00 p.m. (EDT) on **April 24, 2013** or two days (excluding Saturdays, Sundays and holidays) before the day of the adjourned Meeting.

Q: How will my shares be voted if I give my proxy?

A: The persons named on the form of proxy must vote your shares for or against or withhold from voting, as applicable, in accordance with your directions and on any ballot that may be called for, or you can let your

proxyholder decide for you. If you specify a choice, your shares will be voted accordingly. In the absence of such directions, proxies received by our management will be voted in favour of the Special Resolution.

Q: What if amendments are made to these matters or if other matters are brought before the Meeting?

A: The persons named on the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the accompanying Notice and with respect to other matters which may properly come before the Meeting.

As of the date of this Circular, our management knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named on the form of proxy will vote on them in accordance with their best judgment.

Q: If I change my mind, can I submit another proxy or take back my proxy once I have given it?

A: Yes. If you are a registered Preferred Shareholder and wish to submit another proxy, you may deliver another properly executed form of proxy bearing a later date and depositing it as described above. If you wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Preferred Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the Corporate Secretary of the Corporation at the following address no later than 5:00 p.m. (EDT) on the last Business Day preceding the date of the Meeting, Thursday, April 25, 2013, or any adjournment of the Meeting, or to the chair on the day of the Meeting, Friday, April 26, 2013, or the day of the adjourned Meeting:

Corporate Secretary
BPO Properties Ltd.
Brookfield Place, Suite 330
181 Bay Street
P.O. Box 762
Toronto, Ontario M5J 2T3
Fax: (416) 365-9642

If you are a non-registered shareholder, you may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote previously 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 materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Q: Who counts the votes?

A: The Corporation's transfer agent, CIBC Mellon Trust Company, counts and tabulates the proxies.

Q: If I need to contact the transfer agent, how do I reach them?

A: For general shareholder enquiries, you can contact Canadian Stock Transfer Company Inc., acting as administrative agent for the transfer agent, CIBC Mellon Trust Company, by mail at:

Canadian Stock Transfer Company Inc.
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

or by telephone: (416) 682-3860
within Canada and the United States toll free at 1-800-387-0825

or by fax: 1-888-249-6189 or (514) 985-8843

or by email at inquiries@canstockta.com

Q: If my shares are not registered in my name but are held in the name of an Intermediary , how do I vote my shares?

A: In many cases, Preferred Shares of the Corporation which are beneficially owned by a non-registered shareholder (a “**non-registered shareholder**”) are registered either:

- (a) in the name of an Intermediary that the non-registered shareholder 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 depository (such as CDS) of which the Intermediary is a participant.

As required by Canadian securities legislation, you will have received from your Intermediary a voting instruction form for the number of shares you beneficially own.

Since the Corporation has limited access to the names of our non-registered shareholders, if you attend the Meeting the Corporation may have no record of your shareholdings or of your entitlement to vote unless your Intermediary has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting, insert your name in the space provided on the voting instruction form and return it by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with Canadian Stock Transfer Company Inc. upon arrival at the Meeting.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the accompanying Notice and this Circular (collectively, the “**meeting materials**”) to those non-registered shareholders who have requested it, to the depository and to Intermediaries for onward distribution to non-registered shareholders.

If you are a non-registered shareholder who has not waived the right to receive meeting materials, you will receive a voting instruction form. The purpose of this form is to permit you to direct the voting of the shares you beneficially own. **Non-registered shareholders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.**

If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms in some cases permit the completion of the voting instruction form by telephone or through the Internet. If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must complete, sign and return the voting instruction form in accordance with the directions provided.

Votes Necessary to Pass the Special Resolution

The Special Resolution requires the approval of at least two-thirds of the votes cast by Preferred Shareholders present in person or represented by proxy at the Meeting.

Voting Shares and Principal Holders Thereof

As of March 26, 2013, we had 76,236,562 fully paid and non-assessable Common Shares outstanding. All of the Common Shares are owned by 1043513 Alberta Ltd. a wholly-owned subsidiary of BPO. As

the sole Common Shareholder, 1043513 Alberta Ltd. approved the Arrangement in a resolution dated March 26, 2013 and therefore is not required to vote at the Meeting.

As of March 26, 2013, we had the following Preferred Shares outstanding: 1,805,489 Series G Shares; 3,816,527 Series J Shares; 300 Series K Shares; 2,847,711 Series M Shares; 800,000 Series N Shares; and 1,000,000 Series O Shares. Each holder of Preferred Shares of record at the close of business on April 1, 2013, the Record Date established for notice of the Meeting, will be entitled to one vote in respect of each \$1.00 issue price for each Preferred Share held by the holder.

To our knowledge, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over, securities of the Corporation entitled to vote at the Meeting carrying more than 10% of the voting rights attached to any outstanding securities of the Corporation is Brookfield Asset Management, which, directly or indirectly, owns 5,251,900 Preferred Shares, being approximately 51.1% of the outstanding Preferred Shares and representing a voting interest of 69.2%. Brookfield Asset Management has advised us that it intends to vote in favour of the Arrangement. As a result, approval of the Special Resolution is assured. The following chart outlines the number of the Preferred Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by Brookfield Asset Management, and the percentage of the class of Preferred Shares represented by such shares so owned, controlled or directed:

<i>Name</i>	<i>Number and Class of Shares</i>	<i>Number of Votes</i>	<i>Percentage of Votes</i>
Brookfield Asset Management*	514,700 Series G Shares	12,867,500	3.2%
	1,932,100 Series J Shares	48,302,500	11.9%
	300 Series K Shares	150,000,000	36.9%
	1,604,800 Series M Shares	40,120,000	9.9%
	200,000 Series N Shares	5,000,000	1.2%
	1,000,000 Series O Shares	25,000,000	6.1%
Total	5,251,900 Preferred Shares	281,290,000	69.2%

*On March 15, 2013, Brookfield Asset Management announced that it will distribute to the holders of its Class A and Class B voting shares an interest in its commercial property operations through a special dividend of units of a newly created company named Brookfield Property Partners L.P. ("BPY"). Certain Preferred Shares listed in this chart will be transferred to BPY prior to the distribution.

SPECIAL BUSINESS

The Meeting has been called to ask Preferred Shareholders to consider and, if deemed advisable, to approve, with or without amendment, the Special Resolution approving the Arrangement. A copy of the full text of the Special Resolution and a copy of the Plan of Arrangement are attached as Appendices 1 and 2, respectively, to this Circular.

INFORMATION REGARDING THE ARRANGEMENT

The Corporation

We were formed under the Act on November 3, 1978 by articles of amalgamation. We filed articles of arrangement on May 1, 2010 and articles of amalgamation on May 25, 2010 in connection with a reorganization whereby we transferred certain of our commercial properties and related debt to a newly formed real estate investment trust in exchange for a combination of units of Brookfield Canada Office Properties (formerly Brookfield Office Properties Canada) (“**BOX**”) and units of BOX’s subsidiary, Brookfield Office Properties Canada LP. In connection with the formation of BOX, BPO, through a wholly-owned subsidiary, acquired 100% of the outstanding Common Shares. We filed articles of amalgamation on November 30, 2011 in connection with the transfer of our 25% interest in the Canadian office fund assets (with the exception of Altius Centre in Calgary, which was later sold by BPO), consisting of nine office assets totaling approximately 6.5 million square feet in Toronto and Ottawa to BOX for \$363 million. Our articles have also been amended from time to time to change our capital structure, the number of directors and to change our name from Gentra Inc. to BPO Properties Ltd. in April 2001.

Our registered and principal office is at Brookfield Place, 181 Bay Street, Suite 330, Toronto, Ontario, M5J 2T3.

We own, develop and manage premier commercial office properties in select cities in Canada. Our commercial property portfolio consists of interests in 28 properties totaling 20.7 million square feet, including 4.0 million square feet of parking. Our development portfolio comprises six development sites totaling 5.5 million square feet.

Our strategy of owning, proactively managing and developing premier properties in dynamic and supply-constrained markets with high barriers to entry, has created one of Canada’s most distinguished portfolios of office properties. We intend to continue our strategy of concentrating operations within a select number of gateway cities with attractive tenant bases in order to maintain a meaningful presence and build on the strength of our tenant relationships within those markets. As a subsidiary of BPO and Brookfield Asset Management, we benefit from the knowledge and expertise of Brookfield’s affiliates.

For further information about us and our business, see the documents listed under the heading “Additional Information Regarding the Corporation — Documents Incorporated by Reference.”

Background to the Arrangement

In February 2013, senior executives of BPO advised our board of directors that it would like to propose a preferred share exchange under which BPO would acquire the Preferred Shares in exchange for BPO Class AAA Preference Shares having substantially similar terms as the Preferred Shares (the “**Proposed Transaction**”). On February 15, 2013 our board of directors established the Special Committee comprised of The Honourable William G. Davis and Robert J. McGavin, each of whom are independent of Brookfield and its affiliates (other than the Corporation) and our management. The mandate of the Special Committee included assessing, considering and reviewing the Proposed Transaction and advising our board of directors as to whether the Proposed Transaction is fair to Minority Shareholders and whether the Corporation should proceed with the Proposed Transaction.

The Special Committee formally met five times to discuss the general nature of the Proposed Transaction and its effect on Minority Shareholders and the Corporation, in addition to participating in other informal discussions regarding the Proposed Transaction.

On February 18, 2013, the Special Committee engaged Goodmans LLP as its legal counsel to provide the Special Committee with, among other things, advice concerning its duties and assist the Special Committee in discharging them, and on March 5, 2013 engaged KPMG Corporate Finance Inc. (“KPMG”) as its financial advisor to, among other things, provide a fairness opinion and conduct other financial analysis and assessments to assist the Special Committee in evaluating the Proposed Transaction.

Between March 6, 2013 and March 22, 2013, the Special Committee met five times with Goodmans LLP and KPMG. The members of the Special Committee together with its advisors reviewed and discussed the terms of and reasons for the Proposed Transaction and met with management of BPO and its advisors. The Special Committee and its advisors considered, and engaged in active dialogue with management of BPO and its advisors about all aspects of the Proposed Transaction, including issues relating to fairness of the Proposed Transaction to the Minority Shareholders.

At a meeting of the Special Committee held on March 6, 2013, the Special Committee requested that confirmation be obtained from the rating agencies that cover BPO, DBRS Limited (“DBRS”) and Standard & Poor’s Rating Services (“S&P”), that no adverse change in BPO’s credit profile would occur as a result of the consummation of the Proposed Transaction. On March 14, 2013, following the request on behalf of the Special Committee, BPO received a letter from DBRS suggesting that, subject to the limitations described therein, the issuance of BPO Class AAA Preference Shares to the Preferred Shareholders (other than the holders of Series O Shares) in connection with the Proposed Transaction would not adversely affect BPO’s credit risk profile, including the rating of the BPO Class AAA Preference Shares. In addition, management of BPO confirmed that based on their discussions with S&P, the Proposed Transaction would not adversely affect BPO’s credit risk profile or the rating of the BPO Class AAA Preference Shares by S&P.

On March 22, 2013, the Special Committee met with Goodmans LLP and KPMG to receive the fairness opinion of KPMG, which indicated that the Proposed Transaction is fair, from a financial point of view, to Minority Shareholders. After reviewing the fairness opinion and the terms of the Proposed Transaction, the Special Committee unanimously determined that the Proposed Transaction is fair to the Minority Shareholders and recommended to the board of directors that the Corporation proceed with the Proposed Transaction.

Immediately following the Special Committee meeting, the board of directors reconvened to receive the foregoing recommendation of the Special Committee. At the meeting, the board discussed and approved the Arrangement and a news release announcing the Arrangement was issued thereafter.

Recommendation and Reasoning of the Special Committee

In connection with the Proposed Transaction, the Special Committee was asked to determine that the consideration to be received by the Minority Shareholders is fair and whether the Corporation should proceed with the Proposed Transaction. In reaching its determination, the Special Committee considered and relied upon a number of factors including the following:

- (a) under the Proposed Transaction, all holders of Preferred Shares will receive BPO Class AAA Preference Shares that will have substantially the same terms and conditions as the existing Preferred Shares, other than holders of Series O Preferred Shares which will receive preferred shares of the wholly-owned subsidiary of BPO that will exist following the Amalgamation and such preferred shares will have substantially the same terms and conditions as the Series O Shares;
- (b) DBRS has affirmed that, following the completion of the Proposed Transaction, it is expected that:
 - (i) the existing credit rating of the BPO Class AAA Preference Shares and BPO will remain unchanged; and

- (ii) the credit rating of the BPO Class AAA Preference Shares and BPO will be identical to the existing credit rating of the Corporation and the Preferred Shares, respectively;
- (c) S&P has affirmed that, following the completion of the Proposed Transaction, it is expected that the existing credit rating of the BPO Class AAA Preference Shares and BPO will remain unchanged;
- (d) the fairness opinion of KPMG to the effect that, as of March 22, 2013, and based upon and subject to the limitations and assumptions set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Minority Shareholders;
- (e) the Canadian tax treatment to a holder of a series of BPO Class AAA Preference Shares of taxable dividends will be the same as the treatment of dividends on the Preferred Shares exchanged therefor;
- (f) the exchange of Preferred Shares for BPO Class AAA Preference Shares will result in neither a capital gain nor a capital loss to the holder of such preferred shares for Canadian tax purposes;
- (g) the fact that BPO's portfolio of office properties in the United States, Canada, the United Kingdom and Australia is significantly larger and more diversified than the Corporation's portfolio of properties and is expected to provide access to a broader and more diversified base of assets for the Minority Shareholders;
- (h) the BPO Class AAA Preference Shares, Series V, Series W and Series Y, which will be issued in exchange for the Series G, Series J and Series M Preference Shares (which currently trade on the TSXV) will, subject to TSX approval, trade on the TSX, which is expected to provide greater liquidity for the Minority Shareholders who hold such series of Preferred Shares;
- (i) the requirement that the Plan of Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to Preferred Shareholders;
- (j) the terms of the Plan of Arrangement, which will provide, among other things, that registered Preferred Shareholders who oppose the Plan of Arrangement may, upon compliance with certain conditions, exercise dissent rights and, if ultimately successful, receive fair value for their shares as determined by the Court;
- (k) the Proposed Transaction, if completed, will permit the Corporation to reduce administrative costs and simplify its operations; and
- (l) the conditions to the completion of the Proposed Transaction, including obtaining the approval of the TSX to list certain series of the BPO Class AAA Preference Shares.

In addition to the foregoing, during the period from the formation of the Special Committee until the date that it made its recommendation to the board of directors of the Corporation, members of the Special Committee made such other independent investigations and undertook such consultations, including with its financial and legal advisors, as they felt were necessary to complete their review and formulate their recommendation regarding the Proposed Transaction.

The foregoing summary of the information and factors considered by the Special Committee is not, and is not intended to be, exhaustive. In view of the factors and the amount of information considered in connection with its evaluation of the Proposed Transaction, the Special Committee did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusions and recommendations. In addition, each member of the Special Committee may have assigned different weights to different factors. The Special Committee's recommendations were made after consideration of all of the

above-noted factors and in light of their collective knowledge of the business, financial condition and prospects of the Corporation, and were also based upon the advice of KPMG and Goodmans LLP.

Having undertaken a thorough review of, and carefully considered, the Proposed Transaction, as described above, including consulting with financial and legal advisors, and subject to the Proposed Transaction proceeding on substantially the same terms as contemplated by the Plan of Arrangement, the Special Committee unanimously:

- (a) determined that the Proposed Transaction is fair to the Minority Shareholders; and
- (b) recommended to the board of directors that the Corporation proceed with the Proposed Transaction.

Fairness Opinion

Pursuant to an engagement agreement dated March 5, 2013 (the “**Engagement Agreement**”) between the Corporation and KPMG, KPMG was retained to review the terms of the Proposed Transaction and to, among other things, provide the Special Committee with an opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the Minority Shareholders.

At the meeting of the Special Committee held on March 22, 2013, KPMG delivered its written opinion to the effect that, as of the date of the opinion, and based upon and subject to the limitations and assumptions set forth therein, the Proposed Transaction is fair, from a financial point of view, to the Minority Shareholders.

KPMG has not prepared a formal valuation or appraisal of the Corporation, BPO or any of their respective securities or assets, and the fairness opinion does not constitute and should not be construed as such or as advice or a recommendation to any person as to voting or any other action in respect of the Proposed Transaction. The full text of the fairness opinion, which sets forth, among other things, assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken by KPMG in rendering its opinion, is attached as Appendix 5 to this Circular. Shareholders are urged to read the fairness opinion in its entirety. The summary of the fairness opinion described in this Circular is qualified in its entirety by reference to the full text of the fairness opinion. The fairness opinion was provided to the Special Committee and the board of directors in connection with their evaluation of the fairness of the Proposed Transaction, from a financial point of view, to Minority Shareholders and does not address any other aspect of the Proposed Transaction and does not constitute a recommendation as to how Shareholders should vote or act with respect to the Proposed Transaction.

Neither KPMG nor any of its affiliates is an insider, associate or affiliate of the Corporation, BPO or any of their respective affiliates and is not an advisor to any person or company other than to the Special Committee with respect to the Proposed Transaction, with the exception that KPMG LLP, which has provided tax advice to BPO. Neither KPMG nor any of its affiliates has provided any financial advisory or financing services to Corporation, BPO or any of their respective affiliates or otherwise had a material financial interest in any transaction involving the Corporation, BPO or any of their respective affiliates, in each case within the past two years, other than acting as financial advisor to the Special Committee pursuant to the Engagement Agreement. There are no understandings or agreements between KPMG or any of its affiliates with the Corporation, BPO or any of their respective affiliates with respect to future financial advisory services. However, KPMG or its affiliates may in the future, in the ordinary course of business, perform such services for the Corporation, BPO or any of their respective affiliates.

The terms of the Engagement Agreement provide that KPMG is to be paid a fixed fee for its services and is to be reimbursed for its reasonable out-of-pocket expenses. No part of KPMG’s fee is contingent upon the conclusions reached in its fairness opinion or on the successful completion of the Proposed Transaction.

Recommendation of the Board of Directors

Our board of directors has unanimously approved the terms of the Arrangement and **is unanimously recommending that Preferred Shareholders vote in favour of the Special Resolution at the Meeting.**

Terms of the Arrangement

The Arrangement, which is being carried out pursuant to section 192 of the Act, will be effected in accordance with the Plan of Arrangement which is attached as Appendix 2 to this Circular. Subject to obtaining the requisite shareholder approval, obtaining the Final Order from the Court and the filing of articles of arrangement, the Arrangement will become effective on the Effective Date, expected to be on or about April 29, 2013.

On the Effective Date,

- (a) immediately prior to the Amalgamation our articles will be amended to make the terms and conditions of the Preferred Shares consistent with the terms and conditions of the BPO Class AAA Preference Shares. Specifically, the amendments will (i) remove the requirement that at least 10% of the outstanding Preferred Shares be present in person or represented by proxy at any Preferred Shareholder meeting; and (ii) in any instance where Preferred Shareholders are entitled to vote, entitle every Preferred Shareholder to one vote for each Preferred Share held instead of one vote in respect of each \$1.00 issue price for each Preferred Share held; and
- (b) we will amalgamate with the Amalgamating Corporations and continue as Amalco and:
 - (i) each issued and outstanding Common Share (all of which are owned by 1043513 Alberta Ltd., a wholly-owned subsidiary of BPO) will be cancelled;
 - (ii) each issued and outstanding Series G Share will be exchanged for one BPO Class AAA Preference Share, Series V;
 - (iii) each issued and outstanding Series J Share will be exchanged for one BPO Class AAA Preference Share, Series W;
 - (iv) each issued and outstanding Series K Share will be exchanged for one BPO Class AAA Preference Share, Series X;
 - (v) each issued and outstanding Series M Share will be exchanged for one BPO Class AAA Preference Share, Series Y;
 - (vi) each issued and outstanding Series N Share will be exchanged for one BPO Class AAA Preference Share, Series Z;
 - (vii) each issued and outstanding Series O Share will be exchanged for one series A preferred share of Amalco;
 - (viii) each issued and outstanding common share of 1043513 Alberta Ltd. will be cancelled;
 - (ix) each issued and outstanding class A preferred share of 1043513 Alberta Ltd. will be cancelled;
 - (x) each issued and outstanding class B preferred share of 1043513 Alberta Ltd. will be cancelled;
 - (xi) each issued and outstanding common share of BPOP (Canada) Inc. will be cancelled;

- (xii) the issued and outstanding common shares of Brookfield FMS Ltd. will be exchanged for 500 Amalco common shares;
- (xiii) each issued and outstanding preferred share of Brookfield FMS Ltd. will be exchanged for one series B preferred share of Amalco; and
- (xiv) the issued and outstanding common shares of Brookfield Properties TRZ Investor Ltd. will be exchanged for 500 Amalco common shares.

As a result of the Amalgamation, all of the outstanding Preferred Shares, other than the Series O Shares, will be exchanged for the respective series of BPO Class AAA Preference Shares noted above, having terms and conditions that are substantially the same as the Preferred Shares for which they have been exchanged. The Series O Shares are owned by a subsidiary of BPO. The Act prohibits a subsidiary from owning shares of its parent corporation and, as a result, the Series O Shares cannot be exchanged for BPO Class AAA Preference Shares. The Series O Shares will be exchanged for preferred shares of Amalco, having terms and conditions that are substantially the same as the Series O Shares for which they have been exchanged. BPO will hold all of the issued and outstanding Amalco Common Shares, making Amalco a wholly-owned subsidiary of BPO.

Dividends

Completion of the Arrangement will not affect the amount or timing of dividends.

Any dividends declared by our board of directors for payment to Preferred Shareholders of record on a date prior to the Effective Date, which remain unpaid as at the Effective Date, will be paid on the payable date to all Preferred Shareholders of record on the record date for the dividend, notwithstanding the completion of the Arrangement.

Transaction Consideration

If the Arrangement is approved by the Preferred Shareholders and by the Court pursuant to the Final Order, each Preferred Shareholder (other than Dissenting Shareholders) will receive the Preferred Share Consideration on the Effective Date.

Following the Arrangement, the Series G Shares, Series J Shares, Series K Shares, Series M Shares and Series N Shares will represent the BPO Class AAA Preference Shares, Series V, BPO Class AAA Preference Shares, Series W, BPO Class AAA Preference Shares, Series X, BPO Class AAA Preference Shares, Series Y and BPO Class AAA Preference Shares, Series Z, respectively, and the Series O Shares will represent the series A preferred shares of Amalco, until replaced against transfer.

Preferred Share Ratings

BPO has received from each of S&P and DBRS indicative ratings for the BPO Class AAA Preference Shares, Series V, W, X, Y and Z to be issued on the Effective Date to Preferred Shareholders, other than holders of Series O Shares. The following is a summary of the existing ratings for the Preferred Shares and the indicative ratings received by BPO in respect of the BPO Class AAA Preference Shares, Series V, W, X, Y and Z.

<i>Preferred Shares</i>	<i>S&P Rating</i>	<i>DBRS Rating</i>
<u>Existing Ratings:</u> Preferred Shares	P-3 (high)	Pfd-3
<u>Indicative Ratings:</u> BPO Class AAA Preference Shares	P-3 (high)	Pfd-3

S&P's corporate credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, an entity rated

“BBB” has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the entity to meet its financial commitments. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

S&P’s Canadian preferred share ratings are on a rating scale that ranges from P-1 to D, which represents the range from highest to lowest quality of such securities rated. According to the S&P rating system, a preferred share rated P-3 is less vulnerable in the near term than other lower-rated securities. However, it faces major ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the obligor’s inadequate capacity to meet its financial commitments. The ratings from P-1 to P-5 may be modified by the addition of a (high), (mid) or (low) modifier to show relative standing within the major rating categories.

DBRS’ corporate credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. According to the DBRS rating system, an entity rated “BBB” is of adequate credit quality. The capacity for payment of financial obligations is considered acceptable. The entity may be vulnerable to future events. The ratings from AA to CCC may be modified by the addition of a (high) or (low) modifier to show relative standing within the major rating categories.

DBRS’ preferred share ratings are on a rating scale that ranges from Pfd-1 to D, which represents the range from highest to lowest quality of such securities rated. According to the DBRS rating system, a preferred share rated “Pfd-3” is of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. The ratings from Pfd-2 to Pfd-5 may be modified by the addition of a (high) or (low) modifier to show relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. These credit ratings are not recommendations to purchase, hold or sell securities and do not comment as to market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities. There is no assurance that the ratings will remain in effect for any given period or that a rating will not be revised or withdrawn entirely by S&P or DBRS in the future if, in its judgment, circumstances so warrant.

Certain Canadian Federal Income Tax Considerations

In the opinion of Torys LLP, counsel to the Corporation, the following summary fairly presents the principal Canadian federal income tax consequences under the Tax Act of the Arrangement generally applicable to Preferred Shareholders (other than Brookfield) who, for the purposes of the Tax Act and at all relevant times, hold their Preferred Shares and will hold their BPO Class AAA Preference Shares as capital property, are resident in Canada and deal at arm’s length with the Corporation, BPO and the Amalgamating Corporations (“**Holders**”). Such shares generally will constitute capital property to a Holder unless the Holder holds such shares in the course of carrying on a business or has acquired such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Holders whose shares might not otherwise qualify as capital property may be entitled, in certain circumstances, to obtain such qualification by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act and the regulations issued thereunder (the “**Regulations**”) and on counsel’s understanding of the current published administrative practices of the Canada Revenue Agency (the “**CRA**”). This summary takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), but does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in the administrative practices of the CRA. No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary does not take into account the tax legislation of any province or territory of Canada or any non-Canadian jurisdiction. Provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

The Tax Act contains certain provisions relating to securities held by certain financial institutions (the “**mark to market rules**”). This summary does not take into account the mark to market rules and Holders that are financial institutions for the purpose of those rules should consult their own tax advisors.

The following summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Amendments to the Articles of the Corporation

The amendments to the articles of the Corporation pursuant to the Arrangement will not result in any immediate Canadian federal income tax consequences to a Holder.

Disposition of Shares on Arrangement

A Holder who, on the Arrangement, exchanges Preferred Shares for BPO Class AAA Preference Shares will realize neither a capital gain nor a capital loss on the exchange. The Holder will be considered to have disposed of the Preferred Shares for proceeds of disposition equal to their adjusted cost base to the Holder immediately before the Arrangement and to have acquired BPO Class AAA Preference Shares at an aggregate cost equal to those proceeds of disposition. Where more than one series of BPO Class AAA Preference Shares are received, such cost will be allocated between such shares based on their relative fair market value. Under the current administrative practice of the CRA, a Holder may allocate such cost so that the cost of any series of BPO Class AAA Preference Shares received on the Arrangement equals the adjusted cost base to the Holder immediately before the Arrangement of the shares exchanged on the Arrangement for that series.

Dissenting Shareholders

Under the current administrative practice of the CRA, Holders who are Dissenting Shareholders should be considered to have disposed of their Preferred Shares for proceeds of disposition equal to the amount paid to them for such shares less the amount of any interest awarded by the Court and will realize a capital gain (or capital loss) to the extent that those proceeds of disposition exceed (or are less than) their adjusted cost base of such shares. Any interest awarded to a Holder who is a Dissenting Shareholder will be included in such Holder’s income. Because of uncertainties under the relevant legislation, Holders who are Dissenting Shareholders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their right to dissent.

BPO Class AAA Preference Shares

The tax treatment to a Holder under the Tax Act of taxable dividends received on a particular series of BPO Class AAA Preference Shares will be the same as the tax treatment under the Tax Act of taxable dividends on the Preferred Shares exchanged therefor.

Shareholder Approvals Required

The Special Resolution concerning the Arrangement must be passed by at least 66 2/3% of the votes cast in person or represented by proxy at the Meeting by holders of Preferred Shares present. The Arrangement encompasses both the amendments to our articles and the Amalgamation and, as a result, they are not being voted on as separate matters.

It is the intention of our management representatives designated in the enclosed form of proxy to vote the Preferred Shares in respect of which they are appointed proxy in favour of the Special Resolution unless a shareholder has specified in his proxy that the shareholder’s Preferred Shares are to be voted against the Special Resolution.

Brookfield Asset Management holds, directly and indirectly, Preferred Shares which carry approximately 69.2% of the votes attaching to all outstanding Preferred Shares of the Corporation. Brookfield Asset Management has advised us that it intends to vote all of its Preferred Shares in favour of the Special Resolution. As a result, approval of the Special Resolution is assured.

Court Approval of the Arrangement

Interim Order

Prior to the mailing of this Circular, we obtained the Interim Order. The Interim Order provides, among other things, that we are authorized to call, hold and conduct the Meeting in the manner set forth in the Interim Order, and at the time and place set forth in the Notice, for the Preferred Shareholders to consider and, if deemed advisable, pass, the Special Resolution. The Interim Order is attached as Appendix 3 to this Circular.

Final Order

Pursuant to the Act, the Arrangement requires approval of the Court. If Preferred Shareholders approve the Special Resolution at the Meeting, we expect to make an application for the Final Order from the Court approving the Arrangement at 10:00 a.m. (EDT) on April 29, 2013, or as soon thereafter as is reasonably practicable, before the Court at 330 University Avenue, Toronto, Ontario. At the hearing for the Final Order, approval by the Court may be granted if the Court determines that the Arrangement meets the requirements of the Interim Order and the Act, that nothing has been done or purported to be done that is not authorized by the Act, and that the Arrangement is fair and reasonable. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with those terms and conditions, if any, as the Court deems fit. The Notice of Application for the Final Order is attached as Appendix 4 to this Circular.

Right to Dissent

Pursuant to the terms of the Interim Order, a registered holder of Preferred Shares is entitled to exercise the right to dissent from the Arrangement in the manner provided under section 190 of the Act. A registered holder of Preferred Shares may exercise the right to dissent by sending to the Corporation a written objection to the Special Resolution in respect of approval of the Arrangement. Pursuant to the terms of the Interim Order, this objection must be provided to the Corporation by 5:00 p.m. (EDT) on the last Business Day before the date of the Meeting or any adjournment thereof. In addition to any other right a registered holder of Preferred Shares may have, when the Arrangement becomes effective, a registered holder of Preferred Shares who strictly adheres to the dissent procedure under section 190 of the Act, as modified by the Interim Order, is entitled to be paid in cash the fair value of the Preferred Shares held by him in respect of which he dissents. Fair value is fixed by the Court and determined as at the close of business on the day before the Special Resolution is adopted.

The dissent procedure provided by section 190 of the Act is summarized in Appendix 6 hereto and the text of section 190 of the Act is set out in Appendix 7 hereto. If you are a registered holder of Preferred Shares who wishes to dissent, please refer to such appendices. **A Preferred Shareholder may only exercise the right to dissent under section 190 of the Act in respect of Preferred Shares which are registered in that Preferred Shareholder's name.** Failure to adhere strictly to the provisions of the Act and the Interim Order may result in loss or unavailability of the right to dissent.

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

Filing of Articles of Arrangement

If the Arrangement is approved by the Preferred Shareholders and by the Court pursuant to the Final Order, our board of directors intends to file articles of arrangement under the Act on or about April 29, 2013. The Arrangement will take place on the date shown on the certificate of arrangement to be endorsed by the Director appointed under the Act. In the event Preferred Shareholder approval is not given to the Arrangement, the Final

Order is not granted or our board of directors otherwise decides to revoke the Special Resolution prior to the Arrangement coming into force, the Arrangement will not be effective. If the Arrangement is not implemented, we intend to continue to operate as a subsidiary of BPO.

Procedure for the Surrender of Preferred Shares

On the Effective Date, registered Preferred Shareholders (other than those who have properly exercised their right to dissent and who are ultimately entitled to be paid the fair value of their Preferred Shares) shall be deemed to be the holders of the Preferred Share Consideration to which they are entitled pursuant to the Arrangement and, accordingly, certificates representing Preferred Shares will represent a like number of the applicable Preferred Share Consideration until replaced against transfer in accordance with the instructions below.

If you hold Preferred Shares and wish to exchange your certificates representing those shares for certificates representing the Preferred Share Consideration, you should complete the enclosed letter of transmittal. The letter of transmittal, when properly completed and duly executed and returned together with a certificate or certificates representing Preferred Shares and all other required documents, will enable each registered Preferred Shareholder to obtain certificates representing the Preferred Share Consideration to which they are entitled.

Transmission by mail of a certificate representing Preferred Shares and a related letter of transmittal is at the risk of the registered holder. If these documents are mailed, it is recommended that registered mail, with return receipt requested, properly insured, be used.

Certificates representing the appropriate number of applicable Preferred Share Consideration issuable to a former registered Preferred Shareholder who has complied with the procedures set out above and in the letter of transmittal will, as soon as practicable after the Effective Date:

(a) be forwarded to the former registered Preferred Shareholder at the address specified in the letter of transmittal by insured first class mail; or

(b) be made available for pick up by the former registered Preferred Shareholder as requested by the shareholder in the letter of transmittal at the offices of the transfer agent, CIBC Mellon Trust Company, at the address set out on the last page of the letter of transmittal.

Additional copies of the letter of transmittal will be sent to any registered Preferred Shareholder (other than holders of Preferred Shares who have properly exercised their right to dissent and who are ultimately entitled to be paid the fair value of their Preferred Shares) of record on the Effective Date who did not receive a letter of transmittal. In addition, further copies of the letter of transmittal will be available at the offices of the transfer agent, CIBC Mellon Trust Company, in Toronto.

If share certificates representing Preferred Shares have been lost, stolen or destroyed, registered Preferred Shareholders should complete the letter of transmittal as fully as possible and forward it, together with a letter describing the loss, to the transfer agent, CIBC Mellon Trust Company. The transfer agent will respond with the replacement requirements, which must be properly completed and returned prior to effecting the exchange.

INFORMATION CONCERNING BROOKFIELD OFFICE PROPERTIES INC.

Brookfield Office Properties Inc.

BPO was formed under the Act on September 5, 1978 to continue the business of Canadian Arena Corporation which was incorporated in 1923 under the *Quebec Companies Act, 1920*. BPO's articles were restated on September 5, 2002 and since then have been amended from time to time to change its capital structure, to adjust the number of directors on its board of directors and to change its name.

BPO's registered office is 181 Bay Street, Suite 330, Brookfield Place, Toronto, Ontario, M5J 2T3. It operates head offices in New York, Toronto, Sydney and London.

BPO owns, develops and manages premier office properties in the United States, Canada and Australia. BPO's portfolio is comprised of interests in 110 properties totaling 76 million square feet in the downtown cores of New York, Washington, D.C., Houston, Los Angeles, Denver, Seattle, Toronto, Calgary, Ottawa, London, Sydney, Melbourne and Perth, making BPO the global leader in the ownership and management of office assets. Landmark properties include Brookfield Places in New York, Toronto and Perth, Bank of America Plaza in Los Angeles, Bankers Hall in Calgary and Darling Park in Sydney. BPO is listed on the NYSE and the TSX.

1043513 Alberta Ltd., a wholly-owned subsidiary of BPO, owns all of our outstanding Common Shares.

For further information regarding BPO and its business, see the documents listed under the heading "BPO Documents Incorporated by Reference."

Material Changes in Capitalization

The following table sets forth BPO's consolidated capitalization as at December 31, 2012 on an actual basis and as adjusted to give effect to the Preferred Share Consideration to be issued under the Arrangement and all other material changes since such date. The following should be read with the comparative consolidated financial statements of BPO and the notes thereto and management's discussion and analysis incorporated by reference in this Circular.

<u>(US\$ Millions)</u>	<u>As at December 31, 2012</u>	<u>As at December 31, 2012 as adjusted to give effect to the Preferred Share Consideration</u>
Debt and capital securities		
Commercial property debt.....	10,895	10,895
Corporate debt.....	617	617
Capital securities — corporate	866	866
Shareholders' equity and non-controlling interests		
Non-controlling interests — fund subsidiaries	1,148	1,148
Non-controlling interests — other subsidiaries	-	-
Preferred equity — subsidiaries	385	-
Preferred equity — corporate	1,345	1,730
Common equity.....	10,086	10,086
Total capitalization	25,342	25,342

BPO Capital Structure

BPO is authorized to issue: an unlimited number of common shares; an unlimited number of Class A Preference Shares, issuable in series; 6,000,000 Class AA Preference Shares, issuable in series; and an unlimited number of Class AAA Preference Shares, issuable in series. The following table summarizes BPO's issued and outstanding share capital as of March 15, 2013.

<i>Class</i>	<i>Series</i>	<i>Authorized</i>	<i>Issued and Outstanding</i>
Common Shares	N/A	Unlimited	505,012,766
Class A Preference Shares	Series A	4,612,500	4,612,495
Class A Preference Shares	Series B	9,589,500	9,589,485
Class AA Preference Shares	Series E	2,000,000	2,000,000
Class AAA Preference Shares	Series E	12,000,000	8,000,000
Class AAA Preference Shares	Series G	6,000,000	4,400,000
Class AAA Preference Shares	Series H	8,000,000	8,000,000
Class AAA Preference Shares	Series J	8,000,000	8,000,000
Class AAA Preference Shares	Series K	8,000,000	6,000,000
Class AAA Preference Shares	Series L	11,500,000	11,500,000
Class AAA Preference Shares	Series M	11,500,000	Nil
Class AAA Preference Shares	Series N	11,000,000	11,000,000
Class AAA Preference Shares	Series O	11,000,000	Nil
Class AAA Preference Shares	Series P	12,000,000	12,000,000
Class AAA Preference Shares	Series Q	12,000,000	Nil
Class AAA Preference Shares	Series R	10,000,000	10,000,000
Class AAA Preference Shares	Series S	10,000,000	Nil
Class AAA Preference Shares	Series T	10,000,000	10,000,000
Class AAA Preference Shares	Series U	10,000,000	Nil

Principal Shareholder of BPO

To the knowledge of BPO's directors and officers, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over, securities of BPO carrying more than 10% of the votes attached to any class of outstanding voting securities of BPO is Brookfield Asset Management, which, directly and indirectly owned 249,362,561 common shares and 13,797,320 Class A Redeemable Voting preferred shares as of March 15, 2013, being approximately 49.2% and 97.2%, respectively, of the outstanding shares of each such class, and representing an aggregate voting interest of 50.7%.

Brookfield Asset Management is a global asset manager, focused on property, renewable power and infrastructure assets with approximately \$175 billion of assets under management. Brookfield Asset Management's shares are listed on the NYSE and the TSX under the symbol "BAM" and on the NYSE Euronext under the symbol "BAMA".

Auditors, Transfer Agent and Registrar

The principal external auditors of BPO are Deloitte LLP, Independent Registered Chartered Accountants, Suite 1400, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2V1.

The transfer agent and registrar for BPO is CIBC Mellon Trust Company at its principal office in Toronto, Ontario.

Earnings Coverage Ratios

BPO's dividend requirements on all of its preference shares for the 12 months ended December 31, 2011 and 2012 amounted to US\$174 million and US\$172 million, respectively, after giving effect to the issuance, repurchase, redemption or other retirement of all preference shares since the end of the respective period,

as if such event had occurred at the beginning of each period, and adjusted to a before tax equivalent using an effective tax rate of 28%.

BPO's borrowing cost requirements for the 12 months ended December 31, 2011 and 2012 amounted to US\$685 million and US\$753 million, respectively, after giving effect to the issuance, repayment, redemption or other retirement of all financial liabilities since the end of the respective period, as if such event had occurred at the beginning of each period.

BPO's profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended December 31, 2011 and 2012 was US\$2,642 million and US\$2,279 million, respectively, which is 3.1 times and 2.5 times BPO's aggregate dividend and borrowing cost requirements for the respective periods.

BPO's earnings attributable to common shareholders before borrowing costs, income taxes and fair value gains and other non-cash items, which BPO views as representative of its ability to cover its ongoing financing requirements, for the 12 months ended December 31, 2011 and 2012 were US\$1,208 million and US\$1,249 million, respectively, which are 1.4 times and 1.3 times BPO's aggregate dividend and borrowing cost requirements for the respective periods.

DETAILS OF THE BPO CLASS AAA PREFERENCE SHARES TO BE ISSUED UPON THE AMALGAMATION

BPO Class AAA Preference Shares as a Class

As a result of the Arrangement, all of the outstanding Preferred Shares, other than the Series O Shares, will be exchanged for BPO Class AAA Preference Shares. The following is a summary of certain provisions attaching to or affecting the BPO Class AAA Preference Shares as a class.

Issuance in Series

The board of directors of BPO may from time to time issue BPO Class AAA Preference Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the board of directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of BPO Class AAA Preference Shares. Each of the series of the BPO Class AAA Preference Shares are subject to the provisions of the BPO Class AAA Preference Shares.

Priority

The BPO Class AAA Preference Shares rank junior to the BPO Class A Preference Shares and the BPO Class AA Preference Shares as to the payment of dividends and return of capital in the event of liquidation, dissolution or winding up of BPO. The BPO Class AAA Preference Shares rank senior to the BPO Common Shares and all other shares ranking junior to the BPO Class AAA Preference Shares. The BPO Class AAA Preference Shares are subject to the provisions of the BPO Class A Preference Shares and to the BPO Class AA Preference Shares. Pursuant to the Act, each series of BPO Class AAA Preference Shares participates rateably with every other series of BPO Class AAA Preference Shares in respect of accumulated dividends and return of capital.

Voting

Subject to applicable corporate law, the holders of the BPO Class AAA Preference Shares or of a series thereof are not entitled as holders of that class or series to receive notice of, to attend or to vote at any meeting of the shareholders of BPO. Notwithstanding the foregoing, votes may be granted to a series of BPO Class AAA Preference Shares when dividends are in arrears on any one or more series, in accordance with the applicable series provisions.

Approval

The approval of the holders of the BPO Class AAA Preference Shares of any matters to be approved by a separate vote of the holders of the BPO Class AAA Preference Shares may be given by special resolution in accordance with the share conditions for the Class AAA Preference Shares.

Certain Provisions of the BPO Class AAA Preference Shares, Series V

As a result of the Amalgamation, all of the Series G Shares will be exchanged for BPO Class AAA Preference Shares, Series V, which shares shall have substantially the same terms and conditions as the Series G Shares for which they have been exchanged. The following is a brief summary of certain provisions the BPO Class AAA Preference Shares, Series V.

Dividends

The holders of the BPO Class AAA Preference Shares, Series V are entitled to receive cumulative preferential cash dividends payable quarterly on the 14th day of each of February, May, August and November in an amount per share per annum equal to the product of \$25.00 and 70% of the “Average Prime Rate” (as defined in the share conditions for the BPO Class AAA Preference Shares, Series V).

Voting

The holders of the BPO Class AAA Preference Shares, Series V do not have the right to receive notice of, attend or vote at any meetings of shareholders of BPO unless BPO has failed to pay in the aggregate eight quarterly dividends on the BPO Class AAA Preference Shares, Series V. In that event, and so long thereafter as any dividends on the BPO Class AAA Preference Shares, Series V remain in arrears, the holders of the BPO Class AAA Preference Shares, Series V are entitled to receive notice of and to attend all meetings of BPO’s shareholders (other than meetings at which only holders of another specified class or series are entitled to vote), but have no vote thereat. The holders of Class AAA Preference Shares, Series V will be entitled, voting separately as a class together with all other holders of Class AAA Preference Shares, Series V, W, X, Y and Z, to elect two members of the board of directors of BPO and for such purpose the holders of the BPO Class AAA Preference Shares, Series V have one vote for each BPO Class AAA Preference Share, Series V held.

Purchase for Cancellation

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may at any time purchase for cancellation the whole or any part of the outstanding BPO Class AAA Preference Shares, Series V at the lowest price or prices at which, in the opinion of the board of directors of BPO, such shares are then obtainable but not exceeding \$25.00 per share together with an amount equal to all accrued and unpaid dividends to the date of purchase and costs of purchase.

Redemption at the Option of BPO

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may redeem the whole or from time to time any part of the then outstanding BPO Class AAA Preference Shares, Series V at \$25.00 per share plus an amount equal to all accrued and unpaid dividends.

Restrictions on Dividends, Retirement and Issue of Shares

As long as any BPO Class AAA Preference Shares, Series V are outstanding, BPO will not, without the prior approval of the holders of the BPO Class AAA Preference Shares, Series V:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of BPO ranking as to capital and dividends junior to the BPO Class AAA Preference

Shares, Series V) on shares of BPO ranking as to dividends junior to the BPO Class AAA Preference Shares, Series V;

- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series V, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series V;
- (c) redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of less than all of the BPO Class AAA Preference Shares, Series V then outstanding;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital *pari passu* with the BPO Class AAA Preference Shares, Series V; or
- (e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless, in each such case, all accrued and unpaid cumulative dividends up to and including the quarterly dividend payable on the immediately preceding dividend payment date will have been declared and paid or set apart for payment on all outstanding Class AAA Preference Shares and all other shares ranking as to dividends prior to or *pari passu* with the BPO Class AAA Preference Shares, Series V.

Liquidation, Dissolution and Winding-up

In the event of liquidation, dissolution or winding-up of BPO or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of the BPO Class AAA Preference Shares, Series V are entitled to be paid \$25.00 per share, plus an amount equal to all accrued and unpaid dividends up to but excluding the date of payment, before any amount will be paid or any assets of BPO will be distributed to the holders of any shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series V. The holders of the BPO Class AAA Preference Shares, Series V will not be entitled to share in any further distribution of the assets of BPO.

Amendment

The provisions of the BPO Class AAA Preference Shares, Series V may be amended, but only with the prior approval of the holders of the BPO Class AAA Preference Shares, Series V by special resolution, given in accordance with the share provisions for the BPO Class AAA Preference Shares, Series V, in addition to any vote or authorization required by law.

Certain Provisions of the BPO Class AAA Preference Shares, Series W

As a result of the Amalgamation, all of the Series J Shares will be exchanged for BPO Class AAA Preference Shares, Series W, which shares shall have substantially the same terms and conditions as the Series J Shares for which they have been exchanged. The following is a brief summary of certain provisions the BPO Class AAA Preference Shares, Series W.

Dividends

The holders of the BPO Class AAA Preference Shares, Series W are entitled to receive cumulative dividends payable quarterly on the 14th day of each of February, May, August and November in an amount per share per annum equal to the product of \$25.00 and 70% of the “Average Prime Rate” (as defined in the share conditions for the BPO Class AAA Preference Shares, Series W).

Voting

The holders of the BPO Class AAA Preference Shares, Series W are not entitled to receive notice of, attend, or vote at, any meetings of shareholders of BPO unless BPO has failed to pay in the aggregate eight quarterly dividends on the BPO Class AAA Preference Shares, Series W. In that event, and so long as any dividends on the BPO Class AAA Preference Shares, Series W continue to remain in arrears, the holders of the BPO Class AAA Preference Shares, Series W will be entitled to receive notice of and to attend all meetings of BPO’s shareholders (other than the holders of any other class or series of shares held separately as a class or series), but have no vote thereat. The holders of BPO Class AAA Preference Shares, Series W are entitled, voting separately as a class together with all other holders of BPO Class AAA Preference Shares, Series V, W, X, Y and Z, to elect two members of the board of directors of BPO and for such purpose the holders of the BPO Class AAA Preference Shares, Series W will have one vote for each BPO Class AAA Preference Share, Series W held.

Purchase for Cancellation

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may at any time or times purchase the whole or any part of the outstanding BPO Class AAA Preference Shares, Series W at the lowest price or prices at which, in the opinion of the board of directors of BPO, such shares are then obtainable but not exceeding \$25.00 per share together with an amount equal to all accrued and unpaid dividends up to the date of purchase and the costs of purchase.

Redemption at the Option of BPO

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may, upon giving notice, redeem the whole or from time to time any part of the then outstanding BPO Class AAA Preference Shares, Series W at \$25.00 per share plus an amount equal to all accrued and unpaid dividends.

Restrictions on Dividends, Retirement and Issue of Shares

As long as any BPO Class AAA Preference Shares, Series W are outstanding, BPO will not, without the prior approval of the holders of the BPO Class AAA Preference Shares, Series W:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of BPO ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series W) on shares of BPO ranking as to dividends junior to the BPO Class AAA Preference Shares, Series W;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series W redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series W;
- (c) redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of less than all of the BPO Class AAA Preference Shares, Series W then outstanding;

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital *pari passu* with the BPO Class AAA Preference Shares, Series W; or
- (e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless, in each such case, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends will be payable, have been declared and paid or set apart for payment and any declared and unpaid non-cumulative dividends that have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the BPO Class AAA Preference Shares, Series W.

Liquidation, Dissolution and Winding-up

In the event of liquidation, dissolution or winding-up of BPO or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of the BPO Class AAA Preference Shares, Series W will be entitled to be paid \$25.00 per share, plus an amount equal to all accrued and unpaid dividends up to but excluding the date of payment, before any amount will be paid or any assets of BPO will be distributed to the holders of shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series W. The holders of the BPO Class AAA Preference Shares, Series W will not be entitled to share in any further distribution of the assets of BPO.

Amendment

The provisions of the BPO Class AAA Preference Shares, Series W may be amended but only with the prior approval of the holders of the BPO Class AAA Preference Shares, Series W by special resolution given in accordance with the share provisions of the BPO Class AAA Preference Shares, Series W, in addition to any vote or authorization required by law.

Certain Provisions of the BPO Class AAA Preference Shares, Series X

As a result of the Amalgamation, all of the Series K Shares will be exchanged for BPO Class AAA Preference Shares, Series X, which shares shall have substantially the same terms and conditions as the Series K Shares for which they have been exchanged. The following is a brief summary of certain provisions the BPO Class AAA Preference Shares, Series X.

Dividends

The holders of the BPO Class AAA Preference Shares, Series X are entitled to receive cumulative preferential cash dividends on each BPO Class AAA Preference Share, Series X, at a rate determined through a monthly auction procedure conducted in accordance with the BPO Class AAA Preference Shares, Series X share conditions and based upon orders to purchase, hold or sell BPO Class AAA Preference Shares, Series X placed in monthly auctions by existing holders and potential holders. The maximum dividend rate that will result from any auction is the Bankers' Acceptance Rate (as defined in the BPO Class AAA Preference Shares, Series X share conditions) plus 0.40%.

Voting

The holders of the BPO Class AAA Preference Shares, Series X are not entitled to receive notice of, attend, or vote at, any meetings of shareholders of BPO unless BPO has failed to pay in the aggregate twenty-four monthly dividends on the BPO Class AAA Preference Shares, Series X, whether consecutive or not. In that

event, and so long as any dividends on the BPO Class AAA Preference Shares, Series X remain in arrears, the holders of the BPO Class AAA Preference Shares, Series X will be entitled to receive notice of and to attend all meetings of BPO's shareholders (other than any other class or series held separately as a class or series), but have no vote thereat. The holders of BPO Class AAA Preference Shares, Series X will be entitled, voting separately as a class together with all other holders of BPO Class AAA Preference Shares, Series V, W, X, Y and Z, to elect two members of the board of directors of BPO and for such purpose the holders of the BPO Class AAA Preference Shares, Series X will have one vote for each BPO Class AAA Preference Shares, Series X held.

Redemption at the Option of BPO

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, the BPO Class AAA Preference Shares, Series X are redeemable, at the option of BPO, in whole or in part from time to time, on the business day next preceding any auction date, upon payment of the redemption price of \$500,000 per BPO Class AAA Preference Share, Series X and all accrued and unpaid dividends to the date of redemption.

Restrictions on Dividends, Retirement and Issue of Shares

As long as any BPO Class AAA Preference Shares, Series X are outstanding, BPO will not, without the prior approval of the holders of the BPO Class AAA Preference Shares, Series X:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of BPO ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series X) on shares of BPO ranking as to dividends junior to the BPO Class AAA Preference Shares, Series X;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series X, redeem, call for redemption, purchase or otherwise reduce or make any return of capital in respect of shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series X;
- (c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the BPO Class AAA Preference Shares, Series X then outstanding;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital *pari passu* with the BPO Class AAA Preference Shares, Series X;
- (e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless, in each such case, all accrued and unpaid cumulative dividends up to and including the dividend payable on the immediately preceding dividend payment date have been declared and paid or set apart for payment on the BPO Class AAA Preference Shares, Series X and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends have been paid or set apart for payment on all outstanding shares ranking as to dividends prior to or *pari passu* with the BPO Class AAA Preference Shares, Series X.

Liquidation, Dissolution and Winding-up

In the event of liquidation, dissolution or winding-up of BPO or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of the BPO Class AAA Preference Shares, Series X will be entitled to be paid \$500,000 per share plus an amount equal to all accrued and unpaid dividends up to but excluding the date of payment, before any amount will be paid or any assets of BPO will be distributed to the holders of shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series X. The holders of the BPO Class AAA Preference Shares, Series X will not be entitled to share in any further distribution of the assets of BPO.

Amendment

The provisions attaching to the BPO Class AAA Preference Shares, Series X may be amended but only with the prior approval of the holders of the BPO Class AAA Preference Shares, Series X by special resolution given in accordance with the share provisions of the BPO Class AAA Preference Shares, Series X, in addition to any vote or authorization required by law.

Certain Provisions of the BPO Class AAA Preference Shares, Series Y

As a result of the Amalgamation, all of the Series M Shares will be exchanged for BPO Class AAA Preference Shares, Series Y, which shares shall have substantially the same terms and conditions as the Series M Shares for which they have been exchanged. The following is a brief summary of certain provisions the BPO Class AAA Preference Shares, Series Y.

Dividends

The holders of the BPO Class AAA Preference Shares, Series Y are entitled to receive cumulative dividends payable quarterly on the 14th day of each of February, May, August and November in an amount per share per annum equal to the product of \$25.00 and 70% of the “Average Prime Rate” (as defined in the share conditions for the BPO Class AAA Preference Shares, Series Y).

Voting

The holders of the BPO Class AAA Preference Shares, Series Y are not entitled to receive notice of, attend, or vote at, any meetings of shareholders of BPO unless BPO has failed to pay in the aggregate eight quarterly dividends on the BPO Class AAA Preference Shares, Series Y. In that event, and so long as any dividends on the BPO Class AAA Preference Shares, Series Y continue to remain in arrears, the holders of the BPO Class AAA Preference Shares, Series Y will be entitled to receive notice of and to attend all meetings of BPO’s shareholders (other than the holders of any other class or series of shares held separately as a class or series), but have no vote thereat. The holders of BPO Class AAA Preference Shares, Series Y are entitled, voting separately as a class together with all other holders of BPO Class AAA Preference Shares, Series V, W, X, Y and Z, to elect two members of the board of directors of BPO and for such purpose the holders of the BPO Class AAA Preference Shares, Series Y will have one vote for each BPO Class AAA Preference Share, Series Y held.

Purchase for Cancellation

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may at any time or times purchase the whole or any part of the outstanding BPO Class AAA Preference Shares, Series Y at the lowest price or prices at which, in the opinion of the board of directors of BPO, such shares are then obtainable but not exceeding \$25.00 per share together with an amount equal to all accrued and unpaid dividends up to the date of purchase and the costs of purchase.

Redemption at the Option of BPO

Subject to applicable law and the provisions described under “— Restrictions on Dividends, Retirement and Issue of Shares”, BPO may, upon giving notice, redeem the whole or from time to time any part of the then outstanding BPO Class AAA Preference Shares, Series Y at \$25.00 per share plus an amount equal to all accrued and unpaid dividends.

Restrictions on Dividends, Retirement and Issue of Shares

As long as any BPO Class AAA Preference Shares, Series Y are outstanding, BPO will not, without the prior approval of the holders of the BPO Class AAA Preference Shares, Series Y:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of BPO ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series Y) on shares of BPO ranking as to dividends junior to the BPO Class AAA Preference Shares, Series Y;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series Y redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series Y;
- (c) redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of less than all of the BPO Class AAA Preference Shares, Series Y then outstanding;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital *pari passu* with the BPO Class AAA Preference Shares, Series Y; or
- (e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless, in each such case, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends will be payable, have been declared and paid or set apart for payment and any declared and unpaid non-cumulative dividends that have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the BPO Class AAA Preference Shares, Series Y.

Liquidation, Dissolution and Winding-up

In the event of liquidation, dissolution or winding-up of BPO or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of the BPO Class AAA Preference Shares, Series Y will be entitled to be paid \$25.00 per share, plus an amount equal to all accrued and unpaid dividends up to but excluding the date of payment, before any amount will be paid or any assets of BPO will be distributed to the holders of shares ranking as to capital junior to the BPO Class AAA Preference Shares, Series Y. The holders of the BPO Class AAA Preference Shares, Series Y will not be entitled to share in any further distribution of the assets of BPO.

Amendment

The provisions of the BPO Class AAA Preference Shares, Series Y may be amended but only with the prior approval of the holders of the BPO Class AAA Preference Shares, Series Y by special resolution given in accordance with the share provisions of the BPO Class AAA Preference Shares, Series Y, in addition to any vote or authorization required by law.

Certain Provisions of the BPO Class AAA Preference Shares, Series Z

As a result of the Amalgamation, all of the Series N Shares will be exchanged for BPO Class AAA Preference Shares, Series Z, which shares shall have substantially the same terms and conditions as the Series N Shares for which they have been exchanged. The following is a brief summary of certain provisions the BPO Class AAA Preference Shares, Series Z.

Dividends

The holders of the BPO Class AAA Preference Shares, Series Z are entitled to receive fixed cumulative preferential cash dividends in an amount equal to the product of \$25.00 and the dividend rate determined by BPO in accordance with the share conditions for the BPO Class AAA Preference Shares, Series Z for each period included within a “Dealer Determined Term” (as defined in the share conditions for BPO Class AAA Preference Shares, Series Z).

For each period included within an “Auction Term” (as defined in the share conditions for the BPO Class AAA Preference Shares, Series Z), the dividend to be paid on each BPO Class AAA Preference Share, Series Z is determined as follows:

- (a) on the dividend payment date immediately following the end of the first period during any Auction Term is the amount which is the product of \$25.00 and 75% of the “Bankers’ Acceptance Rate” on the first business day of such period,
- (b) on the auction dividend payment dates immediately following the end of the subsequent auction dividend periods during any Auction Term is the amount which is the product of \$25.00 and the “Current Dividend Rate” determined on the “Auction Date” immediately prior to the beginning of such “Auction Dividend Period” (all terms defined in the share conditions for the BPO Class AAA Preference Shares, Series Z).

For the first dividend period within a “Corporation Determined Term” or a “Dealer Determined Term” (both as defined in the share conditions for BPO Class AAA Preference Shares, Series Z), in either case immediately following an Auction Term, the dividend to be paid is the product of \$25.00 and four times the dividend rate determined by BPO in accordance with the share conditions for the BPO Class AAA Preference Shares, Series Z or the Dividend Rate determined by the Dealer, as the case may be.

If, for any reason, the applicable dividend rate is not determined or not determinable in accordance with the share conditions for the BPO Class AAA Preference Shares, Series Z, the rate applicable in respect of such day shall be the Bankers’ Acceptance Rate on such day plus 0.40%.

Voting

The holders of the BPO Class AAA Preference Shares, Series Z are not entitled to receive notice of, attend, or vote at, any meetings of shareholders of BPO unless BPO has failed to pay in the aggregate dividends for 24 months on the BPO Class AAA Preference Shares, Series Z, whether or not consecutive. In that event, and so long thereafter as any dividends on the BPO Class AAA Preference Shares, Series Z remain in arrears, the holders of the BPO Class AAA Preference Shares, Series Z will be entitled to receive notice of and to attend all meetings of BPO’s shareholders (other than any meetings of the holders of any other class or series of shares held separately as a class or series) but have no vote thereat. The holders of BPO Class AAA Preference Shares, Series Z are entitled,

voting separately as a class together with all other holders of Class AAA Preference Shares, Series V, W, X, Y and Z to elect two members of the board of directors of BPO and for such purpose the holders of the BPO Class AAA Preference Shares, Series Z will have one vote for each BPO Class AAA Preference Share, Series Z held.

Purchase for Cancellation

Subject to applicable law and the provisions described under “— Restrictions on Dividends Retirement and Issues of Shares”, BPO may at any time or times purchase the whole or any part of the outstanding BPO Class AAA Preference Shares, Series Z at the lowest price or prices at which, in the opinion of the board of directors of BPO, such shares are then obtainable but not exceeding \$25.00 per share together with an amount equal to all accrued and unpaid dividends up to the date of purchase and the costs of purchase.

Redemption at the Option of BPO

Subject to applicable law and to the provisions described under “— Restrictions on Dividends Retirement and Issues of Shares”, BPO may, upon giving notice, redeem the whole or from time to time any part of the then outstanding BPO Class AAA Preference Shares, Series Z at \$25.00 per share plus an amount equal to all accrued and unpaid dividends to the redemption date.

Restrictions on Dividends, Retirement and Issue of Shares

As long as any BPO Class AAA Preference Shares, Series Z are outstanding, BPO will not, without the prior approval of the holders of the outstanding BPO Class AAA Preference Shares, Series Z:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of BPO ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series Z) on shares of BPO ranking as to dividends junior to the BPO Class AAA Preference Shares, Series Z;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the BPO Class AAA Preference Shares, Series Z, redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of any shares of BPO ranking as to capital junior to the BPO Class AAA Preference Shares, Series Z;
- (c) redeem or call for redemption, purchase or otherwise reduce or make any return of capital in respect of less than all of the BPO Class AAA Preference Shares, Series Z then outstanding;
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares ranking as to capital *pari passu* with the BPO Class AAA Preference Shares, Series Z;
- (e) issue any additional Class AAA Preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless, in each such case, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends were payable on the BPO Class AAA Preference Shares, Series Z, and any declared and unpaid non-cumulative dividends on all other shares of BPO ranking as to dividends prior to or *pari passu* with the BPO Class AAA Preference Shares, Series Z have been paid or set apart for payment.

Liquidation, Dissolution and Winding-up

In the event of liquidation, dissolution or winding-up of BPO or other distribution of assets among its shareholders for the purpose of winding-up its affairs, the holders of the BPO Class AAA Preference Shares, Series Z will be entitled to be paid \$25.00 per share, plus an amount equal to all accrued and unpaid dividends thereon before any amount will be paid or any assets of BPO will be distributed to the holders of shares of BPO ranking as to capital junior to the BPO Class AAA Preference Shares, Series Z. The holders of BPO Class AAA Preference Shares, Series Z will not be entitled to share in any further distribution of the assets of BPO.

BPO DOCUMENTS INCORPORATED BY REFERENCE

The following documents of BPO filed with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in this Circular:

- (a) the audited comparative consolidated financial statements of BPO and the notes thereto for the years ended December 31, 2012 and 2011, together with the report of the auditors thereon;
- (b) management's discussion and analysis of financial condition and the results of operations for the audited comparative consolidated financial statements referred to in paragraph (a) above;
- (c) the renewal annual information form of BPO dated March 28, 2013; and
- (d) the management proxy circular of BPO dated March 15, 2013 in connection with the annual meeting of shareholders of BPO.

Any documents of BPO of the type referred to above (excluding confidential material change reports) together with any material change reports filed with a securities commission or similar regulatory authority in Canada on or after the date of this Circular and prior to the Meeting shall be deemed to be incorporated by reference into this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

PRICE RANGE AND TRADING VOLUMES FOR THE PREFERRED SHARES

The Series G Shares, Series J Shares and Series M Shares are our only shares that are listed on a stock exchange. These shares are currently listed on the TSXV. The following is a summary of the price range and trading volumes for these shares.

Series G Shares

The Series G Shares are traded on the TSXV under the symbol “BPP.PR.G”. The following table sets forth the reported high and low trading prices and trading volumes of the Series G Shares as reported by the TSXV and the TSX for the periods indicated.

Period	Price Per Share (C\$)		Volume
	High	Low	
2013			
March (to March 21).....	14.30	14.30	1,817
February.....	14.00	13.50	4,200
January.....	13.75	12.90	133,100
2012			
December.....	12.99	12.70	11,700
November.....	13.10	12.75	14,792
October.....	13.25	12.80	22,972
September.....	13.55	12.30	41,573
August 16 to August 31.....	13.05	12.77	34,200
August 1 to August 15 ⁽¹⁾	12.92	12.73	11,800
July.....	13.78	12.70	363,430
June.....	14.40	13.00	14,450
May.....	14.50	13.60	13,330
April.....	15.00	13.26	7,310
March.....	13.75	13.02	2,150

⁽¹⁾ The Series G Shares were delisted from the TSX at the close of business on August 15, 2012 and commenced trading on the TSXV at the start of business on August 16, 2012. The data provided up to and including August 15, 2012 was reported by the TSX, the data provided on and after August 16, 2012 was reported by the TSXV.

The closing price of the Series G Shares on the TSXV on March 20, 2013, the last date on which the Series G Shares traded prior to the announcement of the proposed Arrangement, was \$14.30.

Series J Shares

The Series J Shares are traded on the TSXV under the symbol “BPP.PR.J”. The following table sets forth the reported high and low trading prices and trading volumes of the Series J Shares as reported by the TSXV and the TSX for the periods indicated.

Period	Price Per Share (C\$)		Volume
	High	Low	
2013			
March (to March 21).....	14.75	14.00	19,725
February.....	14.30	13.30	52,400
January.....	13.97	12.90	447,625
2012			
December.....	12.97	12.80	24,455
November.....	13.20	12.80	31,560
October.....	13.21	12.80	59,090
September.....	13.15	12.77	75,230
August 16 to August 31.....	13.10	12.60	108,875
August 1 to August 15 ⁽¹⁾	12.91	12.66	43,947
July.....	13.50	12.70	384,930
June.....	13.90	13.15	13,500
May.....	14.10	12.50	22,000
April.....	13.65	12.00	85,150
March.....	13.65	12.76	31,516

⁽¹⁾ The Series J Shares were delisted from the TSX at the close of business on August 15, 2012 and commenced trading on the TSXV at the start of business on August 16, 2012. The data provided up to and including August 15, 2012 was reported by the TSX, the data provided on and after August 16, 2012 was reported by the TSXV.

The closing price of the Series J Shares on the TSXV on March 21, 2013, the last date on which the Series J Shares traded prior to the announcement of the proposed Arrangement, was \$14.35.

Series M Shares

The Series M Shares are traded on the TSXV under the symbol “BPP.PR.M”. The following table sets forth the reported high and low trading prices and trading volumes of the Series M Shares as reported by the TSXV and the TSX for the periods indicated.

Period	Price Per Share (C\$)		Volume
	High	Low	
2013			
March (to March 21).....	14.70	14.25	12,850
February.....	14.00	13.60	102,155
January.....	13.70	12.90	134,192
2012			
December.....	12.95	12.85	16,431
November.....	13.05	12.82	14,190
October.....	13.15	12.80	11,975
September.....	13.15	12.75	46,164
August 16 to August 31.....	12.90	12.75	32,700
August 1 to August 15 ⁽¹⁾	12.90	12.70	138,300
July.....	13.70	12.31	203,150
June.....	13.70	13.55	9,315
May.....	14.10	13.65	12,700
April.....	14.10	13.00	71,365
March.....	13.65	13.00	4,800

⁽¹⁾ The Series M Shares were delisted from the TSX at the close of business on August 15, 2012 and commenced trading on the TSXV at the start of business on August 16, 2012. The data provided up to and including August 15, 2012 was reported by the TSX, the data provided on and after August 16, 2012 was reported by the TSXV.

The closing price of the Series M Shares on the TSXV on March 21, 2013, the last date on which the Series M Shares traded prior to the announcement of the proposed Arrangement, was \$14.50.

PRICE RANGE AND TRADING VOLUMES FOR BPO SHARES

The common shares of BPO are listed on the NYSE and the TSX under the symbol “BPO”. The BPO Class A Preference Shares, Series A and B, BPO Class AA Preference Shares, Series E and the BPO Class AAA Preference Shares, Series E, M, O, Q, S and U are not listed on an exchange. The BPO Class AAA Preference Shares, Series G, H, J, K, L, N, P, R and T are listed on the TSX under the symbols “BPO.PR.U”, “BPO.PR.H”, “BPO.PR.J”, “BPO.PR.K”, “BPO.PR.L”, “BPO.PR.N”, “BPO.PR.P”, “BPO.PR.R” and “BPO.PR.T”, respectively.

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Common Shares as reported by the NYSE and the TSX for the periods indicated.

Period	TSX			NYSE		
	Price Per Share (C\$)		Volume	Price Per Share (US\$)		Volume
	High	Low		High	Low	
2013						
March (to March 27)	17.69	17.03	13,238,086	17.24	16.54	26,360,382
February	17.59	16.46	18,323,390	17.63	16.41	41,496,070
January	17.16	16.27	18,902,963	17.25	16.36	47,500,239
2012						
December	17.11	16.09	10,468,435	17.24	16.18	31,780,915
November	16.50	15.37	20,192,715	16.53	15.42	53,178,597
October	16.42	15.21	15,800,674	16.73	15.25	44,390,769
September	17.22	15.77	15,305,707	17.82	16.07	50,334,591
August	17.33	16.47	12,860,707	17.30	16.50	35,075,406
July	18.48	16.87	7,453,116	17.96	16.58	28,725,936
June	17.82	16.44	9,499,374	17.44	15.83	33,510,870
May	18.38	16.99	8,952,492	18.60	16.28	30,022,225
April	18.05	16.56	10,214,241	18.36	16.49	28,805,870
March	17.97	16.81	13,061,048	18.18	16.76	28,958,146

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Class AAA Preference Shares, Series G and H as reported by the TSX for the periods indicated.

Period	BPO Class AAA Preference Shares, Series G			BPO Class AAA Preference Shares, Series H		
	Price Per Share (C\$)		Volume	Price Per Share (C\$)		Volume
	High	Low		High	Low	
2013						
March (to March 27)	26.10	25.26	67,126	26.65	25.96	73,678
February	26.31	25.65	41,926	26.56	26.30	143,362
January	26.45	25.55	39,729	26.57	26.13	608,204
2012						
December	25.97	25.25	58,411	26.40	25.95	104,963
November	26.40	25.50	53,011	26.44	26.17	164,491
October	26.34	25.65	42,896	26.45	26.10	640,285
September	26.60	25.55	26,776	26.20	25.81	57,678
August	26.65	25.77	29,536	26.19	26.02	125,055
July	26.65	24.90	25,782	26.78	26.00	502,550
June	26.00	25.52	32,590	26.35	25.80	54,149
May	26.55	25.51	49,064	26.35	25.95	36,644
April	26.80	25.50	44,418	26.31	25.95	39,857
March	27.00	26.75	83,064	26.37	25.90	165,457

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Class AAA Preference Shares, Series J and K as reported by the TSX for the periods indicated.

Period	BPO Class AAA Preference Shares, Series J			BPO Class AAA Preference Shares, Series K		
	Price Per Share (C\$)		Volume	Price Per Share (C\$)		Volume
	High	Low		High	Low	
2013						
March (to March 27).....	26.02	25.36	54,162	26.65	26.30	35,865
February.....	25.95	25.70	66,779	26.70	26.16	164,082
January.....	25.88	25.55	157,798	26.48	26.02	20,308
2012						
December.....	26.02	25.43	46,951	26.55	26.15	16,613
November.....	26.14	25.80	85,990	26.51	25.91	34,271
October.....	25.99	25.64	1,130,059	26.17	25.76	53,819
September.....	25.82	25.25	60,634	25.98	25.70	38,104
August.....	25.74	25.51	43,477	26.09	25.60	40,173
July.....	26.15	25.41	400,235	25.82	25.54	35,049
June.....	25.95	25.30	68,123	26.02	25.31	99,873
May.....	26.10	25.22	62,170	26.64	26.10	25,033
April.....	25.87	25.25	36,483	26.77	26.00	43,102
March.....	26.00	25.21	71,221	26.70	25.80	55,517

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Class AAA Preference Shares, Series L and N as reported by the TSX for the periods indicated.

Period	BPO Class AAA Preference Shares, Series L			BPO Class AAA Preference Shares, Series N		
	Price Per Share (C\$)		Volume	Price Per Share (C\$)		Volume
	High	Low		High	Low	
2013						
March (to March 27).....	26.72	25.96	167,327	26.89	26.42	104,170
February.....	26.79	26.56	206,014	26.95	26.45	136,557
January.....	26.73	26.17	752,362	26.60	26.25	113,975
2012						
December.....	26.73	26.02	123,445	26.52	25.91	126,513
November.....	26.85	26.40	108,169	26.68	26.10	165,453
October.....	26.71	26.20	165,273	26.58	26.20	105,333
September.....	26.84	26.15	158,642	26.50	25.83	112,842
August.....	26.94	26.38	81,914	26.52	26.21	68,800
July.....	26.98	26.40	180,355	26.60	26.00	113,238
June.....	26.70	25.90	99,793	26.24	25.35	107,272
May.....	26.75	26.11	158,745	26.37	25.65	136,060
April.....	26.75	26.08	103,468	26.44	25.77	165,032
March.....	26.97	26.00	103,289	26.84	26.00	102,737

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Class AAA Preference Shares, Series P and R as reported by the TSX for the periods indicated.

Period	BPO Class AAA Preference Shares, Series P			BPO Class AAA Preference Shares, Series R		
	Price Per Share (C\$)			Price Per Share (C\$)		
	High	Low	Volume	High	Low	Volume
2013						
March (to March 27)	27.16	26.12	208,841	26.73	26.20	158,002
February	26.89	26.07	186,683	26.89	26.00	294,510
January	26.33	25.60	423,966	26.55	25.73	249,298
2012						
December	26.07	25.52	79,249	26.75	25.50	162,166
November	25.99	25.50	67,284	26.13	25.56	131,623
October	26.10	25.62	97,957	25.94	25.60	292,732
September	25.85	25.02	116,531	26.24	25.25	250,668
August	25.95	25.32	172,560	26.63	26.00	179,308
July	26.03	25.20	183,255	26.25	25.42	130,425
June	25.43	25.08	160,559	25.90	25.26	79,103
May	25.65	25.10	178,690	25.99	25.13	136,686
April	25.50	25.00	144,938	26.00	24.95	133,682
March	25.80	24.88	136,870	25.74	24.95	162,800

The following table sets forth the reported high and low trading prices and trading volumes of the BPO Class AAA Preference Shares, Series T as reported by the TSX for the periods indicated.

Period	BPO Class AAA Preference Shares, Series T		
	Price Per Share (C\$)		
	High	Low	Volume
2013			
March (to March 27).....	26.43	25.87	234,469
February.....	26.74	25.95	168,236
January.....	26.51	25.32	329,705
2012			
December.....	25.45	25.01	138,177
November	25.95	25.40	183,096
October	25.90	25.41	731,886
September (September 13 to September 30) ⁽¹⁾	25.74	25.00	1,255,263

⁽¹⁾ Issued September 13, 2012.

PRIOR SALES OF SECURITIES

On September 13, 2012, BPO completed a public offering of 10,000,000 Class AAA Preference Shares, Series T at a price of \$25.00 per share.

EFFECT OF THE ARRANGEMENT ON MARKETS AND LISTINGS

Shortly after the Effective Date, it is intended that the Series G Shares, Series J Shares and Series M Shares will be delisted from the TSXV, and that the BPO Class AAA Preference Shares, Series V will be listed on the TSX in substitution for the Series G Shares, the BPO Class AAA Preference Shares, Series W will be listed on the TSX in substitution for the Series J Shares and the BPO Class AAA Preference Shares, Series Y will be listed on the TSX in substitution for the Series M Shares. The TSX has conditionally approved the listing of the BPO Class AAA Preference Shares, Series V, W and Y, subject to fulfilling all the requirements of the TSX. It is expected that these shares will trade under the stock symbols “BPO.PR.X”, “BPO.PR.W” and “BPO.PR.Y”, respectively.

RISK FACTORS

In assessing the Arrangement, Preferred Shareholders should carefully consider the risks described or contained in the information incorporated by reference in this Circular. Specific reference is made to the section “Business of Brookfield Office Properties — Company and Real Estate Industry Risks” of BPO’s renewal annual information form dated March 28, 2013, the section “Risks and Uncertainties” of BPO’s management’s discussion and analysis of financial results for the year ended December 31, 2012, the section “Business of BPO Properties — Risk Factors” of the Corporation’s renewal annual information form dated March 30, 2012 and the section “Risks and Uncertainties” of the Corporation’s management’s discussion and analysis of financial results for the three and nine months ended September 30, 2012. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Corporation, may also adversely affect the business of BPO following the completion of the Arrangement. In particular, the Arrangement is subject to certain risks including the following:

Risks Related to the Arrangement

There is no certainty, nor can we provide any assurance, that the Arrangement be completed. The completion of the Arrangement is subject to obtaining the requisite Preferred Shareholder approval, receipt of the Final Order and BPO fulfilling all of the listing requirements of the TSX for the BPO Class AAA Preference Shares, Series V, W and Y. If for any reason the Arrangement is not completed, the market price for the Preferred Shares may be adversely affected.

Risks Related to the Preferred Share Consideration

The risks associated with an investment in BPO Class AAA Preference Shares are similar to those associated with an investment in Preferred Shares.

Prevailing yields on similar securities will affect the market value of the BPO Class AAA Preference Shares. Assuming all other factors remain unchanged, the market value of the BPO Class AAA Preference Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over benchmark rates of interest (for example, interest rates on three-month Government of Canada Treasury Bills and five-year Government of Canada bonds) for similar securities will also affect the market value of the BPO Class AAA Preference Shares in an analogous manner.

None of the BPO Class AAA Preference Shares issued as Preferred Share Consideration have a fixed maturity date and they are not redeemable at the option of the holders. The ability of a holder to liquidate its holdings of BPO Class AAA Preference Shares issued as Preferred Share Consideration may be limited.

There can be no assurance that an active trading market will develop for the BPO Class AAA Preference Shares issued as Preferred Share Consideration after the Arrangement, or if developed, that such a market will be sustained at the issue price of the BPO Class AAA Preference Shares issued as Preferred Share Consideration.

BPO may choose to redeem the BPO Class AAA Preference Shares issued as Preferred Share Consideration from time to time, in accordance with its rights as specified in their individual share conditions described under “Details of the BPO Class AAA Preference Shares to be Issued Upon the Amalgamation”, including when prevailing interest rates are lower than the yields borne by the BPO Class AAA Preference Shares issued as Preferred Share Consideration. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yields on the BPO Class AAA Preference Shares issued as Preferred Share Consideration being redeemed.

The dividend yields of the BPO Class AAA Preference Shares issued as Preferred Share Consideration is not certain, given their floating interest components as specified in their individual share conditions described under “Details of the BPO Class AAA Preference Shares to be Issued Upon the Amalgamation”. The

dividend yields may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which BPO has no control.

The BPO Class AAA Preference Shares rank junior to the BPO Class A Preference Shares and the BPO Class AA Preference Shares as to the payment of dividends and return of capital in the event of liquidation, dissolution or winding up of BPO.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

As of December 31, 2012, no director or senior officer nor, to the knowledge of our directors or senior officers after having made reasonably inquiry, any person or company who beneficially owns, directly or indirectly, securities of the Corporation carrying more than 10% of the voting rights entitled to vote at the Meeting outstanding at the date hereof, or any associate or affiliate thereof, had any material interest, direct or indirect, in any material transaction of the Corporation or its affiliate nor do any such persons have a material interest, direct or indirect, in any proposed transaction of the Corporation or its affiliates, except as disclosed in this Circular.

In the normal course of our operations, we enter into various transactions on market terms with related parties, including intercompany loans, putting amounts on deposit with affiliates, acquiring insurance and leasing office space. Brookfield Asset Management also reimburses us for a portion of the annual compensation paid to certain members of our senior management team to the extent that they devote a portion of their time to Brookfield Asset Management's global real estate group.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditor is Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, Suite 1400, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2V1.

Our transfer agent and registrar is CIBC Mellon Trust Company at its principal office in Toronto, Ontario.

LEGAL MATTERS

Counsel

Torys LLP, counsel to BPO, has provided legal advice upon certain corporate, securities and tax law matters in connection with the Arrangement.

As of March 27, 2013, the partners and associates of Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Corporation, BPO or any of their associates or affiliates.

Eligibility for Investment

In the opinion of Torys LLP, at the Effective Date, provided that BPO is a "public corporation" (as defined in the Tax Act), the BPO Class AAA Preference Shares issued as Preferred Share Consideration will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), deferred profit sharing plan, registered retirement income fund ("RRIF"), registered education savings plan, registered disability savings plan, and a tax-free savings account ("TFSA").

Notwithstanding the forgoing, if the BPO Class AAA Preference Shares issued as Preferred Share Consideration are a "prohibited investment" (as defined in the Tax Act) for a TFSA, an RRSP or a RRIF, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The BPO Class AAA Preference Shares will not be a "prohibited investment" for a trust governed by a TFSA or an RRSP or RRIF, provided that the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, (i) deals at arm's-length with BPO for purposes of the Tax Act and (ii) does not have a "significant interest" (as defined in the Tax Act) in (A) BPO or (B) a corporation, partnership or trust with which BPO does not

deal at arm's length for purposes of the Tax Act. The Department of Finance (Canada) released Tax Proposals on December 21, 2012 that will delete the condition in (ii)(B) above and will exclude certain "excluded property" (as defined in the Tax Proposals) from being a "prohibited investment". Generally, the BPO Class AAA Preference Shares will be "excluded property" (i.e., not a "prohibited investment") to the holder of a TFSA or the annuitant of an RRSP or RRIF, as the case may be, if, at the relevant time, at least 90% of the fair market value of all equity of BPO is owned by persons dealing at arm's length with such holder or annuitant, as the case may be, and their investment in BPO meets the other criteria set forth in such Tax Proposals. Such Tax Proposals will be deemed to have come into force on March 23, 2011. Holders who intend to hold the BPO Class AAA Preference Shares in a TFSA or an RRSP or RRIF should consult their own tax advisors regarding the application of the foregoing prohibited investment rules having regard to their particular circumstances.

ADDITIONAL INFORMATION REGARDING THE CORPORATION — DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Corporation filed with the securities commission or similar authority in each of the provinces and territories of Canada are specifically incorporated by reference in this Circular:

- (a) the audited comparative consolidated financial statements of the Corporation and the notes thereto for the years ended December 31, 2011 and 2010, together with the report of the auditors thereon;
- (b) management's discussion and analysis of financial condition and the results of operations for the audited comparative consolidated financial statements referred to in paragraph (a) above;
- (c) the renewal annual information form of the Corporation dated March 30, 2012;
- (d) the unaudited comparative condensed consolidated financial statements of the Corporation and the notes thereto for the three and nine months ended September 30, 2012 and 2011; and
- (e) management's discussion and analysis of financial results for the unaudited comparative condensed consolidated financial statements referred to in paragraph (d) above.

Any documents of the Corporation of the type referred to above (excluding confidential material change reports) together with any material change reports filed with a securities commission or similar regulatory authority in Canada on or after the date of this Circular and prior to the Meeting shall be deemed to be incorporated by reference into this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

AVAILABILITY OF PUBLIC DISCLOSURE DOCUMENTS

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Financial information for the fiscal year ended December 31, 2011 is provided in the Corporation's financial statements and accompanying management's discussion and analysis. Copies of the documents incorporated by reference in this Circular under the headings "Information Concerning Brookfield Office Properties Inc.", "BPO Documents Incorporated by Reference" and "Additional Information Regarding the Corporation — Documents Incorporated by Reference" may be obtained on request without charge from the Corporate Secretary of the Corporation at P.O. Box 770, Suite 330, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3 (Telephone 416-369-2300) or by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

APPROVAL AND CERTIFICATE

The contents and delivery of this Notice and Circular have been approved by the board of directors of the Corporation.

DATED at Toronto, Ontario on March 28, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Deborah R. Rogers*"

Deborah R. Rogers

Secretary

INDEPENDENT AUDITOR'S CONSENT

We have read the Notice of Special Meeting and Management Proxy Circular of BPO Properties Ltd. (the "**Corporation**") dated March 28, 2013 relating to the proposed plan of arrangement involving the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned circular of our report to the Board of Directors and Shareholder of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2011 and December 31, 2010 and the consolidated statements of income and comprehensive income, statements of changes in equity and statements of cash flows for the years then ended. Our report is dated March 5, 2012.

(Signed) "*Deloitte LLP*"

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
March 28, 2013
Toronto, Canada

CONSENT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

We have read the Notice of Special Meeting and Management Proxy Circular of BPO Properties Ltd. (the “**Corporation**”) dated March 28, 2013 relating to the proposed plan of arrangement involving the Corporation. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned circular of our report to the Board of Directors and Shareholders of Brookfield Office Properties Inc. (“**BPO**”) on the consolidated balance sheets of BPO as at December 31, 2012 and December 31, 2011 and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cashflow for the years then ended. Our report is dated March 1, 2013.

(Signed) “*Deloitte LLP*”

Independent Registered Chartered Accountants
Licensed Public Accountants
March 28, 2013
Toronto, Canada

KPMG CONSENT

To: The Board of Directors of BPO Properties Ltd. (the “**Corporation**”)

We refer to the fairness opinion (the “**Fairness Opinion**”) dated March 22, 2013 included in the management proxy circular of the Corporation dated March 28, 2013 (the “**Circular**”) which we prepared for the special committee of the board of directors of the Corporation in connection with the Arrangement (as defined in the Circular). We consent to the reference to our name and to the references and inclusion of a summary of the Fairness Opinion and the full text of the Fairness Opinion in the Circular and to the filing of the Fairness Opinion with the Circular.

(signed) “*KPMG Corporate Finance Inc.*”

Toronto, Ontario
March 28, 2013

**APPENDIX 1
SPECIAL RESOLUTION
BPO PROPERTIES LTD.**

(the “Corporation”)

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) pursuant to section 192 of the *Canada Business Corporations Act* (the “**Act**”), as more particularly described in the accompanying management proxy circular, including (a) amendments to the terms and conditions of the preferred shares of the Corporation; and (b) the amalgamation of the Corporation with Brookfield Properties TRZ Investor Ltd., BPOP (Canada) Inc., Brookfield FMS Ltd. and 1043513 Alberta Ltd., all being subsidiaries of Brookfield Office Properties Inc., is hereby authorized, approved and adopted.
2. The plan of arrangement involving the Corporation and implementing the Arrangement (the “**Plan of Arrangement**”), the full text (without schedules) of which is set out as Appendix 2 to the accompanying management proxy circular (as the Plan of Arrangement may be, or may have been, modified or amended), is hereby approved and adopted.
3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the preferred shareholders of the Corporation or that the Arrangement has been approved by the Ontario Superior Court of Justice, the board of directors of the Corporation is hereby authorized and empowered in its sole discretion without further notice to, or the approval of, the preferred shareholders of the Corporation (a) to amend the Plan of Arrangement, or (b) to not proceed with the Arrangement.
4. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute and deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the Act to implement the Arrangement.
5. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents, agreements and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX 2

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) “**1043513**” means 1043513 Alberta Ltd., a corporation amalgamated under the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended;
- (b) “**Act**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;
- (c) “**Amalco**” means the corporation, existing under the Act, resulting from the amalgamation of the Amalgamating Corporations;
- (d) “**Amalgamating Corporations**” means BPP, 1043513, BFMS, BTRZ and BPOP;
- (e) “**Arrangement**” means the arrangement pursuant to the provisions of Section 192 of the Act on the terms and subject to the conditions set out in this Plan of Arrangement as supplemented, modified or amended;
- (f) “**BFMS**” means Brookfield FMS Ltd., a corporation amalgamated under the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended;
- (g) “**BPOP**” means BPOP (Canada) Inc., a corporation continued under the Act;
- (h) “**BPP**” means BPO Properties Ltd., a corporation amalgamated under the Act;
- (i) “**Brookfield Office Properties**” means Brookfield Office Properties Inc., a corporation incorporated under the Act;
- (j) “**BTRZ**” means Brookfield Properties TRZ Investor Ltd., a corporation incorporated under the Act;
- (k) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;
- (l) “**Class AAA Preference Shares**” means the cumulative class AAA preference shares of Brookfield Office Properties;
- (m) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (n) “**Dissent Rights**” has the meaning ascribed thereto in section 3.1;
- (o) “**Dissenting Shareholder**” means a Preferred Shareholder who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Preferred Shares in respect of which Dissent Rights are validly exercised by such holder;
- (p) “**Effective Date**” means the date the Arrangement is effective under the Act;

- (q) “**Effective Time**” means 12:01 a.m. (EDT) on the Effective Date, or such other time on the Effective Date as may be determined by BPP;
- (r) “**Interim Order**” means the interim order of the Court dated March 28, 2013 under Subsection 192(4) of the Act containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (s) “**Liens**” means any hypothecations, mortgages, liens, charges, security interests, pledges, claims, encumbrances and adverse rights or other claims;
- (t) “**Letter of Transmittal**” means the letter of transmittal for use by Preferred Shareholders, in the form accompanying the Circular;
- (u) “**Meeting**” means special meeting of Preferred Shareholders to be held on April 26, 2013, to consider, among other things, the Arrangement and related matters, and any adjournment thereof;
- (v) “**Parties**” means BPP, 1043513, BFMS, BTRZ, BPOP and Brookfield Office Properties;
- (w) “**Person**” means an individual, partnership, association, body corporate, trust, unincorporated organization, government, regulatory authority, or other entity;
- (x) “**Plan of Arrangement**” means this plan of arrangement, as amended or supplemented from time to time in accordance with the terms hereof;
- (y) “**Preferred Share Consideration**” means the Class AAA Preference Shares to be issued to Preferred Shareholders (other than Dissenting Shareholders and holders of Series O Shares), in accordance with the Arrangement and, in the case of the Series O Shares, the series A preferred shares of Amalco to be issued to holders of Series O Shares in accordance with the Arrangement;
- (z) “**Preferred Shareholders**” means the holders of Preferred Shares;
- (aa) “**Preferred Shares**” means preferred shares of BPP, consisting of the Cumulative Redeemable Preferred Shares Series G (the “**Series G Shares**”), \$25.00 Floating Rate Cumulative Redeemable Preferred Shares Series J (the “**Series J Shares**”), Cumulative Redeemable Preferred Shares Series K (the “**Series K Shares**”), Cumulative Redeemable Preferred Shares Series M (the “**Series M Shares**”), Cumulative Perpetual Preferred Shares Series N (the “**Series N Shares**”) and Non-Cumulative Redeemable Preferred Shares Series O (the “**Series O Shares**”);
- (bb) “**Special Resolution**” means the special resolution approving the Arrangement presented to Preferred Shareholders at the Meeting; and
- (cc) “**Transfer Agent**” means CIBC Mellon Trust Company at its principal office in Toronto, Ontario.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 The following schedules to this Plan of Arrangement are incorporated by reference herein and form part of this Plan of Arrangement.

- Schedule "A" - amendments to the rights, privileges, restrictions and conditions attaching to the Preferred Shares
- Schedule "B" - rights, privileges, restrictions and conditions attaching to the common shares, series A preferred shares and series B preferred shares of Amalco
- Schedule "C" - rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares, Class AAA Preference Shares, Series V, Class AAA Preference Shares, Series W, Class AAA Preference Shares, Series X, Class AAA Preference Shares, Series Y and Class AAA Preference Shares, Series Z

ARTICLE 2 ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement and the Arrangement will become effective at, and be binding at and after, the Effective Time on (i) the Preferred Shareholders (including the Dissenting Shareholders); (ii) BPP; (iii) 1043513; (iv) BFMS; (v) BTRZ; (vi) BPOP and (vii) Brookfield Office Properties, without any further act or formality on the part of any Person, except as otherwise provided herein.

2.2 Arrangement

Commencing at the Effective Time the following events or transactions shall occur and shall be deemed to occur in the following sequence without any further act or formality:

- (a) the rights, privileges, restrictions and conditions of the Preferred Shares shall be amended as set forth in Schedule "A" hereto;
- (b) the Amalgamating Corporations shall amalgamate pursuant to the laws of Canada to form Amalco upon the following terms and conditions:
 - (i) the name of Amalco shall be BPO Properties Ltd.;
 - (ii) the registered office of Amalco shall be situated in the City of Toronto in the Province of Ontario and shall be located therein at Brookfield Place, 181 Bay Street, Suite 330, Toronto, Ontario, M5J 2T3;
 - (iii) Amalco shall be authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, which may be issued in series;
 - (iv) the Amalco common shares shall have attached thereto the rights, privileges, restrictions and conditions set out in Schedule "B" hereto;
 - (v) the Amalco preferred shares, issuable in series, shall have attached thereto the rights, privileges, restrictions and conditions set out in Schedule "B" hereto;

- (vi) the transfer of securities (other than non-convertible debt securities) of Amalco shall be restricted in that no securityholder shall be entitled to transfer any such security or securities without either:
 - (A) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
 - (B) the approval of the holders of at least a majority of the shares of Amalco entitling the holders thereof to vote in all circumstances (other than holders of shares who are entitled to vote separately as a class) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares;
- (vii) the transfer of shares of Amalco shall be restricted in that no shareholder shall be entitled to transfer any such share or shares without either:
 - (A) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
 - (B) the approval of the holders of at least a majority of the shares of Amalco entitling the holders thereof to vote in all circumstances (other than holders of shares who are entitled to vote separately as a class) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares;
- (viii) the board of directors of Amalco shall, until otherwise changed in accordance with the Act, consist of a minimum number of one and a maximum number of ten directors;
- (ix) the first directors of Amalco shall be: Bryan K. Davis, Brett M. Fox and Keith Hyde;
- (x) the officers of Amalco, until changed by the directors of Amalco, shall be Bryan K. Davis, President and CFO, Michelle L. Campbell, VP, Compliance, Assistant General Counsel and Secretary, Keith Hyde, VP Taxation, Dana E. Petitto, VP and Controller and Phyllis F. Moore, Assistant Secretary;
- (xi) the fiscal year end of Amalco shall be December 31 in each year until such time as it is changed by the directors of Amalco;
- (xii) there shall be no restrictions on the business which Amalco is authorized to carry on;
- (xiii) the by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of BFMS;
- (xiv) all of the property of the Amalgamating Corporations held immediately before the amalgamation (except any amounts receivable from any Amalgamating Corporation or shares of any Amalgamating Corporation) shall become the property of Amalco;
- (xv) all of the liabilities of the Amalgamating Corporations immediately before the amalgamation (except any amounts payable to any Amalgamating Corporation) shall become liabilities of Amalco;
- (xvi) each issued and outstanding common share in the capital of BPP will, on and from the Effective Date, be cancelled;

- (xvii) each issued and outstanding Series G Share will be exchanged for one Class AAA Preference Share, Series V with rights, privileges, restrictions and conditions as set out in Schedule “C” hereto;
 - (xviii) each issued and outstanding Series J Share will be exchanged for one Class AAA Preference Share, Series W with rights, privileges, restrictions and conditions as set out in Schedule “C” hereto;
 - (xix) each issued and outstanding Series K Share will be exchanged for one Class AAA Preference Share, Series X with rights, privileges, restrictions and conditions as set out in Schedule “C” hereto;
 - (xx) each issued and outstanding Series M Share will be exchanged for one Class AAA Preference Share, Series Y with rights, privileges, restrictions and conditions as set out in Schedule “C” hereto;
 - (xxi) each issued and outstanding Series N Share will be exchanged for one Class AAA Preference Share, Series Z with rights, privileges, restrictions and conditions as set out in Schedule “C” hereto;
 - (xxii) each issued and outstanding Series O Share will be exchanged for one series A preferred share of Amalco with rights, privileges, restrictions and conditions as set out in Schedule “B” hereto;
 - (xxiii) each issued and outstanding common share in the capital of 1043513 will, on and from the Effective Date, be cancelled;
 - (xxiv) each issued and outstanding class A preferred share of 1043513 will, on and from the Effective Date, be cancelled;
 - (xxv) each issued and outstanding class B preferred share of 1043513 will, on and from the Effective Date, be cancelled;
 - (xxvi) each issued and outstanding common share in the capital of BPOP will, on and from the Effective Date, be cancelled;
 - (xxvii) the issued and outstanding common shares in the capital of BFMS will be exchanged for 500 common shares of Amalco;
 - (xxviii) each issued and outstanding preferred share of BFMS will be exchanged for one series B preferred share of Amalco with rights, privileges, restrictions and conditions as set out in Schedule “B” hereto;
 - (xxix) the issued and outstanding common shares in the capital of BTRZ will be exchanged for 500 common shares of Amalco;
 - (xxx) any civil, criminal or administrative action or proceeding pending by or against any of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco; and
 - (xxxi) a conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Corporations may be enforced by or against Amalco;
- (c) any transfer of any securities pursuant to the Arrangement shall be free and clear of all Liens; and
- (d) the Dissenting Shareholders shall cease to have any rights as holders of Preferred Shares other than the right to be paid fair value for such Preferred Shares in accordance with Section 3.1.

As soon as reasonably practicable after the Effective Time, Brookfield Office Properties shall take all action required to list the Class AAA Preference Shares, Series V, W and Y on the Toronto Stock Exchange.

ARTICLE 3 DISSENT RIGHTS

3.1 Rights of Dissent

Registered Preferred Shareholders may exercise rights of dissent with respect to their Preferred Shares in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the Act and this section 3.1 (“**Dissent Rights**”). Dissenting Shareholders who duly exercise their dissent rights and who:

- (a) are ultimately entitled to be paid fair value for such Preferred Shares, shall be deemed to have transferred such Preferred Shares to BPP for cancellation as of the Effective Time, without any further act or formality and free and clear of any Liens; or
- (b) are ultimately determined not to be entitled, for any reason, to be paid fair value for their Preferred Shares in accordance with the provisions of section 190 of the Act, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Preferred Shares on the basis determined in accordance with section 2.2.

3.2 Recognition of Dissenting Shareholders

- (a) In no circumstances shall BPP or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the holder of those Preferred Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall BPP or any other Person be required to recognize Dissenting Shareholders as holders of Preferred Shares in respect of which Dissent Rights have been validly exercised after the Effective Time, and the names of such Dissenting Shareholders shall be removed from the registers of holders of Preferred Shares in respect of which Dissent Rights have been validly exercised at the Effective Time. In addition to any other restrictions under section 190 of the Act, holders of Preferred Shares who vote or have instructed a proxyholder to vote such Preferred Shares in favour of the Special Resolution shall not be entitled to exercise Dissent Rights (but only in respect of such Preferred Shares).

ARTICLE 4 CERTIFICATES

4.1 Issuance of Preferred Share Consideration

The registered Preferred Shareholders (other than those who have properly exercised their Dissent Rights and who are ultimately entitled to be paid the fair value of their Preferred Shares) shall be deemed to be the holders of the Preferred Share Consideration to which they are entitled pursuant to the Arrangement (without regard to the date or dates on which certificates representing Preferred Shares are physically surrendered to the Transfer Agent).

At or promptly after the Effective Time, Brookfield Office Properties shall deposit with the Transfer Agent, for the benefit of Preferred Shareholders, other than holders of Series O Shares, certificates evidencing the aggregate number of Class AAA Preference Shares to be received by them in return for their Preferred Shares in accordance with section 2.2. Upon surrender to the Transfer Agent of a certificate which immediately prior to the Effective Time represented Preferred Shares, together with a duly completed Letter of Transmittal and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Transfer Agent shall deliver to such holder, a certificate evidencing the number and series of Class AAA Preference Shares that such holder is entitled to receive under section 2.2, and the certificate so surrendered shall forthwith be delivered to Amalco in accordance with section 2.2.

At or promptly after the Effective Time, Amalco shall issue to holders of Series O Shares, certificates evidencing the number of series A preferred shares of Amalco to be received by them in return for their Series O Shares in accordance with section 2.2.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Preferred Shares, other than Series O Shares, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange therefor, one or more certificates evidencing the series of Class AAA Preference Shares that such Person is entitled to receive under section 2.2. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom the certificates evidencing Class AAA Preference Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to the Transfer Agent and Brookfield Office Properties in such sum as the Transfer Agent or Brookfield Office Properties may direct or otherwise indemnify the Transfer Agent and Brookfield Office Properties in a manner satisfactory to the Transfer Agent and Brookfield Office Properties against any claim that may be made against the Transfer Agent or Brookfield Office Properties with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

BPP, Brookfield Office Properties, Amalco and the Transfer Agent shall be entitled to deduct and withhold from any payment, dividend, distribution or consideration otherwise payable to any Preferred Shareholder, Dissenting Shareholder or holder of Preferred Share Consideration such amounts as BPP, Brookfield Office Properties, Amalco or the Transfer Agent is required to deduct and withhold with respect to such payment under the Tax Act, the United States *Internal Revenue Code of 1986*, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, BPP, Brookfield Office Properties, Amalco and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to BPP, Brookfield Office Properties, Amalco or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and, BPP, Brookfield Office Properties, Amalco or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

4.4 Illegality of Delivery of Preferred Share Consideration

Notwithstanding the foregoing, if it appears to Brookfield Office Properties or Amalco, as the case may be, that it would be contrary to applicable law to issue Preferred Share Consideration pursuant to the Arrangement to a Person that is not a resident of Canada, the Preferred Share Consideration that otherwise would be issued to that Person will be issued to the Transfer Agent (as agent for that reason) for sale by the Transfer Agent on behalf of that Person. The Preferred Share Consideration so issued to the Transfer Agent will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Transfer Agent determines in its sole discretion. The Transfer Agent shall not be obligated to seek or obtain a minimum price for any of the Preferred Share Consideration sold by it. Each such Person will receive a pro rata share of the cash proceeds from the sale of the Preferred Share Consideration sold by the Transfer Agent (less commissions, other reasonable expenses incurred in connection with the sale of the Preferred Share Consideration and any amount withheld in respect of taxes) in lieu of the Preferred Share Consideration itself. The net proceeds will be remitted in the same manner as other payments pursuant to this Article 4. None of BPP, Brookfield Office Properties, Amalco or the Transfer Agent will be liable for any loss arising out of any such sales.

**ARTICLE 5
AMENDMENTS**

5.1 BPP reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) filed with the Court and, if made following the Meeting, approved by the Court, and (iii) communicated to the holders of Preferred Shares if and as required by the Court.

5.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by BPP at any time prior to the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

5.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to by BPP, and (ii) if required by the Court, it is consented to by the holders of Preferred Shares voting in the manner directed by the Court.

5.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or includes a change to the sequence of the events of transactions contemplated by section 2.2 and, in each case, is not adverse to the financial or economic interests of any holder of Preferred Share Consideration.

**ARTICLE 6
FURTHER ASSURANCES**

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order as set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

APPENDIX 3
INTERIM ORDER

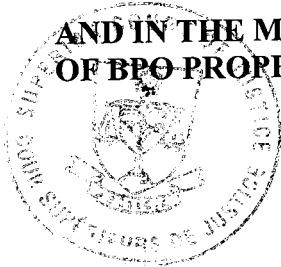
**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE MR. JUSTICE MORAWETZ)
)

THURSDAY, THE 28th DAY
OF MARCH 2013

**IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF
THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS
AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT
OF BPO PROPERTIES LTD.**



BPO PROPERTIES LTD.

Applicant

INTERIM ORDER

THIS MOTION made by the Applicant, BPO Properties Ltd. (“BPP”), for an interim order for advice and directions pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the “CBCA”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on March 26, 2013 and the affidavit of Deborah R. Rogers, sworn March 26, 2013, (the “Rogers Affidavit”), including the Plan of Arrangement, which is attached as Schedule B to the draft management proxy circular of BPP (the “Circular”), which is attached as Exhibit “A” to the Rogers Affidavit, and on hearing the submissions of counsel for BPP and on being advised that the Director appointed under the CBCA (the “Director”) does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that BPP is permitted to call, hold and conduct a special meeting (the "Meeting") of the holders ("Preferred Shareholders") of preferred shares (the "Preferred Shares") of BPP to be held at Brookfield Place, Toronto, Ontario on April 26, 2013 in order for the Preferred Shareholders to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the CBCA, the notice of meeting of Preferred Shareholders, which accompanies the Circular (the "Notice of Meeting") and the articles and by-laws of BPP, subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the Preferred Shareholders entitled to notice of, and to vote at, the Meeting shall be April 1, 2013.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- (a) the Preferred Shareholders or their respective proxyholders;
- (b) the officers, directors, auditors and advisors of BPP;
- (c) representatives and advisors of the Special Committee of BPP;
- (d) the Director; and
- (e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that BPP may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by BPP and that the quorum at the Meeting shall be not less than two persons present in person at the Meeting holding in aggregate not less than 25% of the Preferred Shares entitled to vote at the Meeting.

Amendments to the Arrangement & Plan of Arrangement

8. **THIS COURT ORDERS** that BPP is authorized to make, subject to paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Preferred Shareholders, or others entitled to receive notice under paragraph 12 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Preferred Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Preferred Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as BPP may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that BPP is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemental, shall be the Circular to be distributed in accordance with paragraph 12.

Adjournments & Postponements

11. **THIS COURT ORDERS** that BPP, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Preferred Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as BPP may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, BPP shall send the Information Circular (including the Notice of Application and this Interim Order), the notice of meeting and the form of proxy and letter of transmittal along with such amendments or additional documents as BPP may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

- (a) the registered Preferred Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Preferred Shareholders as they appear on the books and records of BPP, or its registrar and transfer agent, at the close of business on the Record Date

and if no address is shown therein, then the last address of the person known to the Corporate Secretary of BPP;

- (ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
 - (iii) by facsimile or electronic transmission to any Preferred Shareholder, who is identified to the satisfaction of BPP, who requests such transmission in writing and, if required by BPP, who is prepared to pay the charges for such transmission;
- (b) non-registered Preferred Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and
- (c) the respective directors and auditors of BPP, and to the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that accidental failure or omission by BPP to give notice of the meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of BPP, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of BPP, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

14. **THIS COURT ORDERS** that BPP is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials, as BPP may determine, and that notice of

such additional information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as BPP may determine.

15. **THIS COURT ORDERS** that distribution of the Meeting Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraph 12 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation & Revocation of Proxies

16. **THIS COURT ORDERS** that BPP is authorized to use the proxies substantially in the form of the drafts accompanying the Circular, with such amendments and additional information as BPP may determine are necessary or desirable. BPP is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. BPP may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Preferred Shareholders, if BPP deems it advisable to do so.

17. **THIS COURT ORDERS** that Preferred Shareholders shall be entitled to revoke their proxies in accordance with section 148(4) of the CBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to s.148(4)(a)(i) of the CBCA: (a) may be deposited at the registered office of BPP or with the transfer agent of BPP as set out in the Information Circular; and (b) any such instruments must be received by BPP or its transfer agent not later than 5:00 p.m. on the business day immediately preceding the Meeting (or any adjournment or postponement thereof).

Voting

18. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Preferred Shareholders who hold Preferred Shares of BPP as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

19. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote in respect of each \$1.00 of issue price of each Preferred Share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds ($66\frac{2}{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Preferred Shareholders voting together as a single class. Such votes shall be sufficient to authorize BPP to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Preferred Shareholders, subject only to final approval of the Arrangement by this Court.

Dissent Rights

20. **THIS COURT ORDERS** that each registered Preferred Shareholder shall be entitled to exercise dissent rights in connection with the Arrangement Resolution in accordance with section 190 of the CBCA, except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement. Notwithstanding subsection 190(5) of the CBCA, any registered Preferred Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to BPP in the form required by section 190 of the CBCA, which written objection must be received by BPP not later than 5:00 p.m. (Toronto time) on the last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the

requirements of the CBCA. For purposes of these proceedings, the “court” referred to in section 190 of the CBCA means this Court.

21. **THIS COURT ORDERS** that any Preferred Shareholder who duly exercises such dissent rights set out in paragraph 20 above and who is for any reason ultimately determined by this Court to be entitled to receive fair value for his, her or its Preferred Shares shall be deemed to have transferred those Preferred Shares to BPP for cancellation as of the Effective Time in accordance with the terms of the Plan of Arrangement. Those Preferred Shareholders ultimately determined not to be entitled to be paid fair value for his, her or its Preferred Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Preferred Shareholder. In no case shall BPP or any other person be required to recognize dissenting Preferred Shareholders as holders of Preferred Shares of BPP at or after the date upon which the Arrangement becomes effective, and the names of such Preferred Shareholders shall be deleted from BPP’s register of holders of Preferred Shares at that time.

**Hearing of Application
for Approval of the Arrangement**

22. **THIS COURT ORDERS** that upon approval by the Preferred Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, BPP may apply to this Court for final approval of the Arrangement.

23. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraph 12 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 24.

24. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for BPP as soon as reasonably practicable, and, in any event, no less than five days before the hearing of this Application at the following addresses:

Andrew Gray
Torys LLP
Suite 3000
79 Wellington Street West
Toronto, Ontario
M5K 1N2

Lawyers for BPP

With a copy to:

Tom Friedland
Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7
Lawyers for the Special Committee

25. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be BPP, the Special Committee, the Director, and any person who has served a Notice of Appearance in accordance with this Interim Order and the *Rules of Civil Procedure*.
26. **THIS COURT ORDERS** that any materials to be filed by BPP in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.
27. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 24 shall be entitled to be given notice of the adjourned date.

Precedence

28. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Preferred Shares, or the articles or by-laws of BPP, this Interim Order shall govern.

Extra-Territorial Assistance

29. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

30. **THIS COURT ORDERS** that BPP shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

ENTERED AT / INSCRIT A TORONTO
CN / BOOK NO:
LE / DANS LE REGISTRE NO.:



MAR 28 2013



**IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE CANADA
BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED**

Court File No: CV-13-10048-00CL

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF
BPO PROPERTIES LTD.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INTERIM ORDER

TORYS LLP
Suite 3000
79 Wellington St. W.
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada

Andrew Gray LSUC#: 46626V
Tel: 416.865.7630
Fax: 416.865.7380

Lawyers for the Applicant

APPENDIX 4

NOTICE OF APPLICATION FOR FINAL ORDER

Cv13-10048-0006
Court File No.

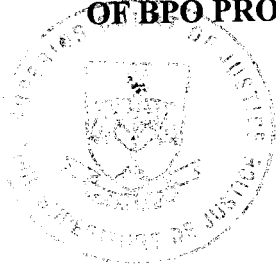
**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT R.S.C. 1985, c. C-44, AS
AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT
OF BPO PROPERTIES LTD.**

BPO PROPERTIES LTD.

Applicant



NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on a date to be set by a judge presiding over the Commercial List at a 9:30 a.m. appointment to be heard on March 28, 2013. or as soon after that time as the Application may be heard at 330 University Avenue, Toronto, Ontario.


IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the rules of court, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

Date: March 26, 2013


Local Registrar
A. Anissimova
Registrar

Address of court office:
330 University Avenue
Toronto, Ontario
M5G 1R7

AND TO: THE DIRECTOR
Corporations Canada
Industry Canada
9th Floor, Journal Tower South
365 Laurier Avenue West
Ottawa, Ontario
K1A 0C8

APPLICATION

1. **THE APPLICANT, BPO PROPERTIES LTD. (“BPP”)**, makes application to the Court for:

- (a) An Interim Order for advice and directions pursuant to section 192(4) of the *Canada Business Corporations Act* R.S.C 1985, c. C-44, as amended (“CBCA”) with respect to calling and conducting a special meeting (the “Meeting”) of the holders of the preferred shares of BPP to consider, among other things, the plan of arrangement;
- (b) An order pursuant to s. 192 of the CBCA approving the arrangement in the form described in a management proxy circular to be delivered; and
- (c) Such further and other relief as this Court may deem just.

2. **THE GROUNDS OF THE APPLICATION ARE:**

- (a) BPP is a corporation governed by the CBCA, and its head office is located in Toronto, Ontario;
- (b) The Arrangement is an “arrangement” within the meaning of s. 192(1) of the CBCA, namely an amendment of articles, an amalgamation and an exchange of securities of BPP for securities of another corporation;
- (c) All preconditions to the approval of the arrangement by the Court will have been satisfied prior to the hearing of the application;
- (d) The matters sought to be effected by the proposed Arrangement cannot practicably be effected under any other provision of the CBCA;
- (e) BPP is not insolvent within the meaning of s. 192(2) of the CBCA;
- (f) The Arrangement is fair and reasonable;
- (g) Section 192 of the CBCA;
- (h) Rules 14.05(1), 14.05(2), 14.05(3)(f), 17.02 and 38 of the *Rules of Civil Procedure*; and

(i) Such further and other grounds as counsel may advise and this Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:

- (a) Such Interim Order as may be granted by this Honourable Court;
- (b) The affidavit of Deborah R. Rogers, sworn March 26, 2013;
- (c) Supplementary affidavit material reporting on the results of the Meeting; and
- (d) Such further and other material as counsel may advise and this Court may permit.

March 26, 2013

TORYS LLP
Suite 3000
Box 270, TD Centre
79 Wellington Street W.
Toronto, Ontario
M5K 1N2

Andrew Gray LSUC# 46626V
Tel: 416.865.7630
Fax: 416.865.7380

Lawyers for the Applicant,
BPO Properties Ltd

IN 13-10048-00CL

**IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE CANADA
BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED**

Court File No:

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF
BPO PROPERTIES LTD.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

TORYS LLP
Suite 3000
79 Wellington St. W.
Box 270, TD Centre
Toronto, Ontario
M5K 1N2 Canada

Andrew Gray LSUC#: 46626V
Tel: 416.865.7630
Fax: 416.865.7380

Lawyers for the Applicant

APPENDIX 5
FAIRNESS OPINION



KPMG Corporate Finance Inc.
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-3891
Internet www.kpmg.ca

William G. Davis, Chairman of the Special Committee of BPO Properties Ltd.
BPO Properties Ltd.
Brookfield Place
181 Bay Street, Suite 300
Toronto, ON
M5J 2T3

March 22, 2013

To the Special Committee:

Introduction

KPMG Corporate Finance Inc. (“KPMG CF”, “we” or “us”) understands that Brookfield Office Properties Inc. (“BPO” the “Company”) (NYSE:BPO), intends to acquire by way of a plan of arrangement all of the preferred shares of BPO Properties Ltd. (“BPP”), other than Series O preferred shares of BPP, which will be exchanged for class A preferred shares of the resulting amalgamated company, in exchange for newly issued preferred shares of BPO having substantially the same terms as the exchanged BPP preferred shares (the “Proposed Transaction”).

We understand that the board of directors of BPO Properties Ltd. (the “Board”) has formed a special committee of independent directors (the “Special Committee”) to consider the Proposed Transaction and to make recommendations to the Board with respect thereto. KPMG CF has been engaged by the Special Committee to review the terms of the Proposed Transaction and to, among other things, provide the Special Committee with a written opinion (the “Fairness Opinion”) as to the fairness of the Proposed Transaction, from a financial point of view, to the holders of preferred shares of BPP, other than BPO and its affiliates (the “Minority Shareholders”).

You have also advised us that the Proposed Transaction does not require minority approval or a formal valuation under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”).

Engagement of KPMG CF

KPMG CF was formally engaged by the Special Committee by letter dated March 5, 2013 (the “Engagement Agreement”) to, among other things, provide the Fairness Opinion. The terms of the Engagement Agreement provide that KPMG CF is to be paid a fixed fee and is to be reimbursed for its reasonable out-of-pocket expenses. No part of KPMG CF's fee is contingent upon the conclusions reached in this Fairness Opinion or on the successful completion of the Proposed Transaction.

Credentials of KPMG CF

KPMG LLP, the parent company of KPMG CF, is one of the world's largest professional services organizations, offering a broad range of services. KPMG CF has significant experience in advising a broad range of companies for various purposes, including securities law compliance, fairness opinions, mergers and acquisitions, corporate income tax and litigation matters, amongst other things.

The Fairness Opinion is the opinion of KPMG CF. The form and content has been approved for release by a group of directors and officers, which includes members experienced in merger, acquisition, divestiture and valuation matters.

Independence of KPMG CF

Neither KPMG CF nor any of its affiliates is an issuer insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules promulgated thereunder) of BPO or BPP or any of their respective affiliates (collectively, the "Interested Parties").

Neither KPMG CF nor any of its affiliates is an advisor to any Interested Party with respect to the Proposed Transaction other than to the Special Committee pursuant to the Engagement Agreement, with the exception of KPMG LLP which has provided tax advice to BPO.

Neither KPMG CF nor any of its affiliates has provided any financial advisory or financing services to an Interested Party or otherwise had a material financial interest in any transaction involving an Interested Party, in each case within the past two years, other than acting as financial advisor to the Special Committee pursuant to the Engagement Agreement. There are no understandings or agreements between KPMG CF or any of its affiliates with any Interested Party with respect to future financial advisory services. However, KPMG CF or its affiliates may in the future, in the ordinary course of business, perform such services for any Interested Party.

Scope of Review

In connection with preparing and rendering this Fairness Opinion, KPMG CF has reviewed, and where it considered appropriate, relied upon, or undertaken, among other things, the following:

- Transaction Overview and details of the BPO AAA Preference Shares to be issued, as prepared by Torys LLP;
- Certain financial, operational, business, tax, and other Information in respect of BPP and BPO;
- Available public disclosure documents of BPO and BPP considered to be relevant by KPMG CF;
- Prospectuses of BPP preferred shares of the following Series: G, J, M, N, K, and O;
- Discussions with the senior management of BPO with respect to the Proposed Transaction and other issues considered relevant;
- Discussions with the Special Committee;

- Discussions with legal counsel;
- General industry and economic information obtained from sources considered reliable and appropriate by KPMG CF;
- Relevant commercial real estate information obtained from sources considered reliable and appropriate by KPMG CF;
- DBRS rating report dated April 13, 2012 on BPP's issuer rating (BBB, stable) and the preferred shares rating (Pfd-3, stable);
- S&P rating report dated June 29, 2012 on BPO's issuer rating (BBB, negative) and the preferred shares rating (P-3 (high));
- DBRS rating report dated October 24, 2012 on BPO's issuer rating (BBB (high), negative) and the preferred shares rating (Pfd-3 (high), negative);
- Ratings downgrade indication from DBRS on BPO's issuer rating (BBB, stable) and the Class AAA preferred shares rating (Pfd-3, stable);
- Impact assessment letter from DBRS dated March 14, 2013 which confirms that the Proposed Transaction will not affect BPO's issuer rating (BBB, stable) nor the Class AAA preferred shares rating (Pfd-3, stable);
- Management of BPO has represented that based on their discussions with DBRS, the Proposed Transaction will not adversely affect the DBRS issuer rating and preferred shares rating of BPP;
- Management of BPO has represented that based on their discussions with S&P, the Proposed Transaction will not adversely affect the S&P issuer rating and preferred shares rating of BPO;
- Representations contained in a certificate dated the date hereof addressed to us from senior officers of the Company as described below; and,
- Such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

KPMG CF has not, to the best of its knowledge, been denied access by the Company to any information under its control that was requested by KPMG CF.

Assumptions and Qualifications

With your approval and consent, KPMG CF has relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by it from public sources or provided to it by, on behalf of or at the request of BPO, BPP and the Special Committee or their respective representatives (collectively, the "Information"). This Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the

Information. KPMG CF has not independently verified the accuracy and completeness of any of the Information and does not assume any responsibility with respect to it.

Senior officers of the Company have represented to KPMG CF in a certificate dated the date hereof that, among other things: (i) the Information provided by or on behalf of the Company or any of its subsidiaries, affiliates, associates, agents or representatives, either directly or indirectly, orally or in writing, to KPMG CF was, at the date the Information was provided to KPMG CF and is now, complete, true and correct in all material respects; (ii) since the dates on which the Information was provided to KPMG CF, except as disclosed in writing to KPMG CF, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Transferred Assets and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have an effect on this Fairness Opinion.

In preparing this Fairness Opinion, we have made several assumptions, including that (i) the final executed forms of Transaction documents do not differ in any material respect from the draft Transaction documents, (ii) all parties to the Transaction will comply with all of the material terms of the Transaction, (iii) the Proposed Transaction will be consummated without any waiver or amendment of any material term or condition and (iv) any governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Transaction will be obtained without any adverse effect.

The Fairness Opinion has been prepared for the exclusive use of the Special Committee and the Board of BPP in connection with its consideration of the Proposed Transaction, and except as explicitly permitted herein, is not to be used or relied upon by any person, other than the Special Committee and the Board of BPP, for any purpose other than as stated herein, and except as provided in the last sentence of this paragraph, is not intended for general circulation, nor is it to be published or made available to other parties in whole or in part without KPMG CF's prior written consent or as required by applicable laws. KPMG CF expressly disclaims any liability by reason of the use of this letter by any person other than the Special Committee and the Board of BPP and does not assume any responsibility for losses resulting from the unauthorized or improper use of this letter. Subject to the terms of the Engagement Agreement, we understand that the existence of the Fairness Opinion, the conclusions thereof and KPMG CF's engagement may be referenced in or appended to public disclosures.

The Fairness Opinion is rendered as of the date hereof, on the basis of securities markets and economic and general business and financial conditions currently prevailing and the condition and prospects, financial and otherwise, of the Company and BPP as it was reflected in the Information. KPMG CF disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Fairness Opinion which may come or be brought to KPMG CF's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, KPMG CF reserves the right to change, modify or withdraw the Fairness Opinion. Moreover, KPMG CF reserves the right, but will be under no obligation, to complete any additional analyses that might subsequently be required following the receipt of additional information.

This Fairness Opinion does not constitute and should not be construed as a formal valuation or appraisal of the Company or any of their respective securities or assets, advice or a recommendation to any person as to voting or any other action in respect of the Proposed Transaction. KPMG CF was not engaged to review any legal, regulatory, tax or accounting aspects of the Proposed Transaction and this Fairness Opinion does not address any legal, regulatory, tax or accounting matters.

Conclusion

Based upon and subject to the foregoing and such other matters KPMG CF considered to be relevant, KPMG CF is of the opinion that as of the date hereof, the Proposed Transaction is fair from a financial point of view to the Minority Shareholders.

Yours very truly,

A handwritten signature in black ink that reads "KPMG Corporate Finance Inc". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

KPMG Corporate Finance Inc.

APPENDIX 6

SUMMARY OF PROCEDURE TO EXERCISE DISSENT RIGHTS

The procedure to be followed by a shareholder who intends to dissent from the special resolution approving the arrangement (the “**Arrangement**”) involving BPO Properties Ltd. (the “**Corporation**”) described in the accompanying management proxy circular and who wishes to require the Corporation to acquire his shares and pay him the fair value thereof, determined as of the close of business on the day before the special resolution is adopted, is set out in section 190 of the *Canada Business Corporations Act* (the “**CBCA**”), as modified by the Interim Order (as defined in the attached management proxy circular of the Corporation).

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

Pursuant to the Interim Order, a registered shareholder who wishes to invoke the provisions of section 190 of the CBCA must send to the Corporation a written objection to the special resolution (the “**Notice of Dissent**”) by 5:00 p.m. (EDT) on the last business day before the date of the shareholders meeting at which the special resolution is to be voted on. The sending of a Notice of Dissent does not deprive a registered shareholder of his right to vote on the special resolution but a vote either in person or by proxy against the special resolution does not constitute a Notice of Dissent. A vote in favour of the special resolution will deprive the registered shareholder of further rights under section 190 of the CBCA.

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

After sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a holder of the shares in respect of which he has dissented other than the right to be paid the fair value of such shares as determined under section 190 of the CBCA, unless: (i) the Dissenting Shareholder withdraws his Demand for Payment before the Corporation makes a written offer to pay (the “**Offer to Pay**”); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his Demand for

Payment; or (iii) the directors of the Corporation revoke the special resolution relating to the Arrangement, in all of which cases the Dissenting Shareholder's rights as a shareholder are reinstated.

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

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

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

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

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

APPENDIX 7

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

Right to dissent

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.