

BRASCAN CORP/
Form CB
December 09, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form CB

**TENDER OFFER/RIGHTS OFFERING NOTIFICATION FORM
(AMENDMENT NO. _____)**

Please place an X in the box(es) to designate the appropriate rule provision(s) relied upon to file this Form:

- | | |
|--|-------------------------------------|
| Securities Act Rule 801 (Rights Offering) | <input type="checkbox"/> |
| Securities Act Rule 802 (Exchange Offer) | <input checked="" type="checkbox"/> |
| Exchange Act Rule 13 e-4 (h)(8) (Issuer Tender Offer) | <input type="checkbox"/> |
| Exchange Act Rule 14d-1 (c) (Third Party Tender Offer) | <input type="checkbox"/> |
| Exchange Act Rule 14e-2 (d) (Subject Company Response) | <input type="checkbox"/> |

Filed or submitted in paper if permitted by Regulation S-T Rule 101(b)(8)

Note: Regulation S-T Rule 101(b)(8) only permits the filing or submission of a Form CB in paper by a party that is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

Brascan Financial Corporation

(Name of Subject Company)

N/A

(Translation of Subject Company's Name into English (if applicable))

Ontario, Canada

(Jurisdiction of Subject Company's Incorporation or Organization)

Brascan Corporation

(Name of Person(s) Furnishing Form)

Floating Rate Class I Preferred Shares Series A, Class II Preferred Shares Series Three

Edgar Filing: BRASCAN CORP/ - Form CB

(Title of Class of Subject Securities)

Floating Rate Class I Preferred Shares Series A (ISIN CA10549R2063) Class II Preferred Shares Series Three (ISIN CA10549R4044)

(CUSIP Number of Class of Securities (if applicable))

Andrew J. Beck, 237 Park Avenue, New York, NY 10017 (212) 880-6010

(Name, Address (including zip code) and Telephone Number (including area code) of
Person(s) Authorized to Receive Notices and Communications on Behalf of Subject Company)

Circular mailed December 8, 2004

(Date Tender Offer/Rights Offering Commenced)

*** An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Any member of the public may direct to the Commission any comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden. This collection of information has been reviewed by OMB in accordance with the clearance requirements of 44 U.S.C. 3507.**

SEC 2560 (10-03) Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

GENERAL INSTRUCTIONS

I. Eligibility Requirements for Use of Form CB

- A. Use this Form to furnish information pursuant to Rules 13e-4(h)(8), 14d-1(c) and 14e-2(d) under the Securities Exchange Act of 1934 (Exchange Act), and Rules 801 and 802 under the Securities Act of 1933 (Securities Act).

Instructions

1. For the purposes of this Form, the term subject company means the issuer of the securities in a rights offering and the company whose securities are sought in a tender offer.
 2. For the purposes of this Form, the term tender offer includes both cash and securities tender offers.
- B. The information and documents furnished on this Form are not deemed filed with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act.

II. Instructions for Submitting Form

- A. (1) If the party filing or submitting the Form CB has reporting obligations under Exchange Act Section 13 or 15(d), Regulation S-T Rule 101(a)(1)(vi) (17 CFR 232.101(a)(1)(vi)) requires the submission of the Form CB in electronic format via the Commission's Electronic Data Gathering and Retrieval System (EDGAR) in accordance with the EDGAR rules set forth in Regulation S-T (17 CFR Part 232). For assistance with technical questions about EDGAR or to request an access code, call the EDGAR Filer Support Office at (202) 942-8900. For assistance with the EDGAR rules, call the Office of EDGAR and Information Analysis at (202) 942-2940.
- (2) If the party filing or submitting the Form CB is not an Exchange Act reporting company, Regulation S-T Rule 101(b)(8) (17 CFR 232.101(b)(8)) permits the submission of the Form CB either via EDGAR or in paper. When filing or submitting the Form CB in electronic format, either voluntarily or as a mandated EDGAR filer, a party must also file or submit on EDGAR all home jurisdiction documents required by Parts I and II of this Form, except as provided by the Note following paragraph (2) of Part II.
- (3) A party may also file a Form CB in paper under a hardship exemption provided by Regulation S-T Rule 201 or 202 (17 CFR 232.201 or 232.202). When submitting a Form CB in paper under a hardship exemption, a party must provide the legend required by Regulation S-T Rule 201(a)(2) or 202(c) (17 CFR 232.201(a)(2) or 232.202(c)) on the cover page of the Form CB.
- (4) If filing the Form CB in paper in accordance with Rule 101(b)(8) or a hardship exemption, you must furnish five copies of this Form and any amendment to the Form (see Part I, Item 1.(b)), including all exhibits and any other paper or document furnished as part of the Form, to the Commission at its principal office. You must bind, staple or otherwise compile each copy in one or more parts without stiff covers. You must make the binding on the side or stitching margin in a manner that leaves the reading matter legible.
- B. When submitting the Form CB in electronic format, the persons specified in Part IV must provide signatures in accordance with Regulation S-T Rule 302 (17 CFR 232.302). When submitting the Form CB in paper, the persons specified in Part IV must sign the original and at least one copy of the Form and any amendments. You must conform any unsigned copies. The specified persons may provide typed or facsimile signatures in accordance with Securities Act Rule 402(e) (17 CFR 230.402(e)) or Exchange Act Rule 12b-11 (d) (17 CFR 240.12b-11 (d)) as long as the filer retains copies of signatures manually signed by each of the specified persons

for five years.

- C. You must furnish this Form to the Commission no later than the next business day after the disclosure documents submitted with this Form are published or otherwise disseminated in the subject company's home jurisdiction.
- D. If filing in paper, in addition to any internal numbering you may include, sequentially number the signed original of the Form and any amendments by handwritten, typed, printed or other legible form of notation from the first page of the document through the last page of the document and any exhibits or attachments. Further, you must set forth the total number of pages contained in a numbered original on the first page of the document.

III. Special Instructions for Complying with Form CB

Under Sections 3(b), 7, 8, 10, 19 and 28 of the Securities Act of 1933, and Sections 12, 13, 14, 23 and 36 of the Exchange Act of 1934 and the rules and regulations adopted under those Sections, the Commission is authorized to solicit the information required to be supplied by this form by certain entities conducting a tender offer, rights offer or business combination for the securities of certain issuers.

Disclosure of the information specified in this form is mandatory. We will use the information for the primary purposes of assuring that the offeror is entitled to use the Form and that investors have information about the transaction to enable them to make informed investment decisions. We will make this Form a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Because of the public nature of the information, the Commission can use it for a variety of purposes. These purposes include referral to other governmental authorities or securities self-regulatory organizations for investigatory purposes or in connection with litigation involving the Federal securities laws or other civil, criminal or regulatory statutes or provisions.

PART I - INFORMATION SENT TO SECURITY HOLDERS

Item 1. Home Jurisdiction Documents

- (a) You must attach to this Form the entire disclosure document or documents, including any amendments thereto, in English, that you have delivered to holders of securities or published in the subject company's home jurisdiction that are required to be disseminated to U.S. security holders or published in the United States. The Form need not include any documents incorporated by reference into those disclosure document(s) and not published or distributed to holders of securities.
- (b) Furnish any amendment to a furnished document or documents to the Commission under cover of this Form. Indicate on the cover page the number of the amendment.

Item 2. Informational Legends

You may need to include legends on the outside cover page of any offering document(s) used in the transaction. See Rules 801(b) and 802(b).

Note to Item 2. If you deliver the home jurisdiction document(s) through an electronic medium, the required legends must be presented in a manner reasonably calculated to draw attention to them.

PART II - INFORMATION NOT REQUIRED TO BE SENT TO SECURITY HOLDERS

The exhibits specified below must be furnished as part of the Form, but need not be sent to security holders unless sent to security holders in the home jurisdiction. Letter or number all exhibits for convenient reference.

- (1) Furnish to the Commission either an English translation or English summary of any reports or information that, in accordance with the requirements of the home jurisdiction, must be made publicly available in connection with the transaction but need not be disseminated to security holders. Any English summary submitted must meet the requirements of Regulation S-T Rule 306(a) (17 CFR 232.306(a)) if submitted electronically or of Securities Act Rule 403(c)(3) (17 CFR 230.403(c)(3)) or Exchange Act Rule 12b-12(d)(3) (17 CFR 240.12b-12(d)(3)) if submitted in paper.
- (2) Furnish copies of any documents incorporated by reference into the home jurisdiction document(s).

Note to paragraphs (1) and (2) of Part II: In accordance with Regulation S-T Rule 311(f) (17 CFR 232.311(f)), a party may submit a paper copy under cover of Form SE (17 CFR 239.64, 249.444, 259.603, 269.8, and 274.403) of an unabridged foreign language document when submitting an English summary in electronic format under paragraph (1) of this Part or when furnishing a foreign language document that has been incorporated by reference under paragraph (2) of this Part.

- (3) If any of the persons specified in Part IV has signed the Form CB under a power of attorney, a party submitting the Form CB in electronic format must include a copy of the power of attorney signed in accordance with Regulation S-T Rule 302 (17 CFR 232.302). A party submitting the Form CB in paper must also include a copy of the signed power of attorney.

PART III - CONSENT TO SERVICE OF PROCESS

- (1) When this Form is furnished to the Commission, the person furnishing this Form (if a non-U.S. person) must also file with the Commission a written irrevocable consent and power of attorney on Form F-X.
- (2) Promptly communicate any change in the name or address of an agent for service to the Commission by amendment of the Form F-X.

PART IV - SIGNATURES

- (1) Each person (or its authorized representative) on whose behalf the Form is submitted must sign the Form. If a person's authorized representative signs, and the authorized representative is someone other than an executive officer or general partner, provide evidence of the representative's authority with the Form.
- (2) Type or print the name and any title of each person who signs the Form beneath his or her signature.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

/s/ Alan V. Dean

(Signature)

Alan V. Dean, Vice President and Secretary

(Name and Title)

December 9, 2004

(Date)

NOTICE OF SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

Concerning a special meeting to approve

the proposed amalgamation of

BRASCAN FINANCIAL CORPORATION

- and -

TRILON HOLDINGS INC.

both being subsidiaries of

BRASCAN CORPORATION

December 6, 2004

These materials require your immediate attention. They require shareholders to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.

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December 6, 2004

To the Preferred Shareholders of Brascan Financial Corporation:

On behalf of the Board of Directors of Brascan Financial Corporation (the Corporation), I would like to invite you to a Special Meeting of the Corporation's preferred shareholders to be held on **Thursday, December 30, 2004 at 11:00 a.m.**, in the Boardroom, at Suite 300, BCE Place, 181 Bay Street, Toronto, Ontario.

The purpose of the meeting is to consider and vote upon a special resolution approving an amalgamation (the Amalgamation) between the Corporation and Trilon Holdings Inc. (Trilon), resulting in the formation of a new corporation (Amalco). Both the Corporation and Trilon are subsidiaries of Brascan Corporation (Brascan). Following the Amalgamation, Amalco will combine with Brascan, with the effect that Brascan will acquire all of the assets and assume all of the liabilities of Amalco. As a result of the Amalgamation, the existing Classes I and II preferred shares of the Corporation that are currently outstanding will be exchanged for Class A preferred shares of Brascan with terms and conditions which are the same, in all material respects, as the preferred shares of the Corporation, and the existing indebtedness of the Corporation will become obligations of Brascan.

The Corporation was privatized in 2002 when Brascan increased its common share ownership from 70% to 100%. However the Corporation has existed since that time as a reporting issuer with publicly traded preferred shares and debt. The Amalgamation and subsequent combination with Brascan will reduce administrative costs and simplify operations for the Brascan group. Furthermore, as a result of the exchange of Class A preferred shares of Brascan for the preferred shares of the Corporation, the holders of the Corporation's preferred shares will benefit from Brascan's higher preferred share credit ratings.

Attached is the Notice of Special Meeting of Shareholders and the Management Information Circular for the Special Meeting of Shareholders that contain important information relating to the Amalgamation. 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 professional advisors.

The Board of Directors of the Corporation has determined that the Amalgamation is in the best interests of the Corporation and has unanimously recommended that all preferred shareholders vote in favour of the special resolution approving the Amalgamation.

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 Linda Northwood, Director of Investor Relations at 416-363-0061.

Sincerely,

George E. Myhal

President and Chief Executive Officer
Brascan Financial Corporation

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BRASCAN FINANCIAL CORPORATION

BCE Place, 181 Bay Street, Suite 300
Toronto, Ontario
M5J 2T3

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the **Meeting**) of preferred shareholders of BRASCAN FINANCIAL CORPORATION (the **Corporation**) will be held at **11:00 a.m. on Thursday, December 30, 2004**, in the Boardroom, at Suite 300, BCE Place, 181 Bay Street, Toronto, Ontario for the following purposes:

1. To consider and, if deemed advisable, to approve, with or without amendment, a special resolution (the **Special Resolution**) approving the amalgamation (the **Amalgamation**) of the Corporation and Trilon Holdings Inc., both being subsidiaries of Brascan Corporation (**Brascan**), to form an amalgamated corporation (**Amalco**), on the terms and conditions provided for in an amalgamation agreement (the **Amalgamation Agreement**) included as Appendix 2 to the management information circular (the **Circular**) accompanying this notice of meeting.
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 form of Amalgamation Agreement 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 in and forms part of this notice of meeting.

A shareholder of the Corporation who is unable to attend the Meeting in person and who wishes to ensure that such 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 11:00 a.m. on Friday, December 24, 2004 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.

Under section 185 of the *Business Corporations Act* (Ontario) (the **Act**), a registered shareholder may dissent in respect of the Special Resolution approving the Amalgamation as described in the accompanying Circular. If the Amalgamation 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 3 to the Circular and section 185 of the Act is set forth in Appendix 4 to the Circular. Failure to comply strictly with the requirements set forth in section 185 of the Act may result in the loss of any right to dissent.

DATED at Toronto, Ontario, on December 6, 2004.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed)
Trevor D. Kerr
Vice-President and Secretary

TABLE OF CONTENTS

GLOSSARY OF TERMS	1
SUMMARY	4
THE MEETING AND GENERAL PROXY INFORMATION	8
Date, Time and Place of Meeting	8
Record Date	8
Purpose of Meeting	8
Appointment of Proxies	8
Non-Registered Holders	8
Revocation	9
Voting of Shares Represented by Management Proxies	10
Voting Shares and Principal Holders Thereof	10
SPECIAL BUSINESS	11
INFORMATION REGARDING THE AMALGAMATION	11
The Corporation	11
Reasons for the Amalgamation	12
Terms of the Amalgamation	12
Transaction Consideration	13
Preferred Share Ratings	13
Recommendation of the Board	14
Certain Canadian Federal Income Tax Considerations	14
Shareholder Approvals Required	16
Right to Dissent	16
Filing of Articles of Amalgamation	16
Expenses of the Amalgamation	17
INFORMATION CONCERNING BRASCAN	17
Brascan Corporation	17
Recent Developments	17
Material Changes in Capitalization	17
Brascan Capital Structure	17
Principal Shareholder of Brascan	18
Auditors, Transfer Agent and Registrar	18
Earnings Coverage Ratios	19
DETAILS OF THE BRASCAN CLASS A PREFERENCE SHARES TO BE ISSUED UPON THE AMALGAMATION	19
Brascan Class A Preference Shares as a Class	19
Certain Provisions of the Brascan Class A Preference Shares, Series 13	20
Certain Provisions of the Brascan Class A Preference Shares, Series 14	21
Certain Provisions of the Brascan Class A Preference Shares, Series 15	23
Certain Provisions of the Brascan Class A Preference Shares, Series 16	24
BRASCAN DOCUMENTS INCORPORATED BY REFERENCE	26
INFORMATION CONCERNING TRILON	27
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	27
PRICE RANGE AND TRADING VOLUMES FOR THE PREFERRED SHARES	27
Class I Series A Shares	27
Class II Series Two Shares	28
Class II Series Three Shares	28

EFFECT OF THE AMALGAMATION ON MARKETS AND LISTINGS	28
INFORMATION REGARDING EXECUTIVE COMPENSATION	29
Compensation of Named Executive Officers	29
Share Options	29
Restricted Share Unit Plan	30
Pension and Retirement Benefits	31
Report on Executive Compensation	32
Indebtedness to the Corporation	34
Compensation of Directors	35
Directors and Officers Liability Insurance	35
CORPORATE GOVERNANCE PRACTICES	36
Statement of Corporate Governance Practices	36
Board of Directors	36
Committees of the Board	37
Management	38
Communication and Disclosure Policies	39
Code of Business Conduct	39
AUDITORS, TRANSFER AGENT AND REGISTRAR	39
LEGAL MATTERS	40
Counsel	40
Eligibility for Investment	40
ADDITIONAL INFORMATION REGARDING THE CORPORATION DOCUMENTS INCORPORATED BY REFERENCE	40
AVAILABILITY OF PUBLIC DISCLOSURE DOCUMENTS	40
APPROVAL AND CERTIFICATE	41
CONSENTS	42

LIST OF APPENDICES

APPENDIX 1	
Special Resolution	
APPENDIX 2	
Amalgamation Agreement	
APPENDIX 3	
Summary of Procedure to Exercise Dissent Right	
APPENDIX 4	
Section 185 of the <i>Business Corporations Act</i> (Ontario)	

BRASCAN FINANCIAL CORPORATION
MANAGEMENT INFORMATION CIRCULAR FOR
SPECIAL MEETING OF PREFERRED SHAREHOLDERS
GLOSSARY OF TERMS

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

Act The *Business Corporations Act* (Ontario) R.S.O. 1990, c. B.16, as amended.

affiliate An affiliate within the meaning of section 1(4) 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.

Amalgamation The amalgamation of the Corporation and Trilon pursuant to the Amalgamation Agreement.

Amalgamation Agreement The amalgamation agreement between the Corporation, Trilon and Brascan providing for the Amalgamation, substantially in the form set forth in Appendix 2 to this Circular.

associate An associate within the meaning of section 1(1) of the Act.

Board of Directors or **Board** The board of directors of the Corporation.

Brascan Brascan Corporation.

Brascan Class A Limited Voting Shares The class A limited voting shares of Brascan.

Brascan Class A Preference Shares The cumulative class A preference shares of Brascan.

Business Day Any day, except for a Saturday or Sunday, which is not a statutory or civic holiday in Toronto, Ontario.

CDS The Canadian Depository for Securities.

Circular This management information circular of the Corporation.

Class A Shares The class A shares of the Corporation.

Class B Non-Voting Shares The class B non-voting shares of the Corporation.

Combination The combination of Amalco and Brascan pursuant to a vertical short form amalgamation or voluntary dissolution of Amalco.

Common Shareholders The holders of Common Shares.

Common Shares The Class A Shares and the Class B Non-Voting Shares.

Corporation Brascan Financial Corporation.

Dissenting Shareholder A registered shareholder who, in connection with the Special Resolution, has exercised the right to dissent pursuant to section 185 of the Act in strict compliance with the provisions thereof and thereby becomes entitled to receive the fair value of the shares held by that shareholder.

Diversified Canadian Collectively, Diversified Canadian Financial Corp. and Diversified Canadian Financial II Corp.

Effective Date The date shown on the certificate of amalgamation to be issued in respect of the Amalgamation, which date is anticipated to be on or about December 30, 2004.

Management The management of the Corporation.

Meeting The special meeting of Preferred Shareholders to be held on Thursday, December 30, 2004, at 11:00 a.m. to consider, among other things, the approval of the Special Resolution, and any adjournments thereof.

Meeting Materials The Notice, Circular and form of proxy.

Notice The notice of the Meeting accompanying this Circular.

OSC Ontario Securities Commission.

Preferred Share Consideration The Brascan Class A Preference Shares to be issued to Preferred Shareholders (other than Dissenting Shareholders and Trilon) on the Amalgamation.

Preferred Shareholders The holders of Preferred Shares.

Preferred Shares The preferred shares of the Corporation, consisting of the Floating Rate Class I Preferred Shares Series A (the **Class I Series A Shares**), Floating Rate Class II Preferred Shares Series Two (**Class II Series Two Shares**), Class II Preferred Shares Series Three (**Class II Series Three Shares**), Auction Perpetual Class II Preferred Shares Series Four (**Class II Series Four Shares**), Class III Preferred Shares Series One (**Class III Series One Shares**) and Class III Preferred Shares Series Two (**Class III Series Two Shares**).

Record Date November 30, 2004, the record date for receiving notice of the Meeting.

Special Resolution The special resolution of the holders of the Preferred Shares concerning the Amalgamation 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 1(2) of the Act.

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

Trilon Trilon Holdings Inc.

Trilon Common Shares The common shares of Trilon.

Trilon Preference Shares The preferred shares of Trilon, consisting of the Senior Preference Shares, the Class A Participating Preference Shares, the Class B Participating Preference Shares, the Class A Junior Preference Shares and the Class B Junior Preference Shares.

TSX The Toronto Stock Exchange.

NOTICE TO UNITED STATES SHAREHOLDERS OF THE CORPORATION

THE CLASS A PREFERENCE SHARES OF BRASCAN TO BE ISSUED IN CONNECTION WITH THE AMALGAMATION 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 Amalgamation 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 Canadian generally accepted accounting standards 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 Brascan 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 Brascan Class A Preference Shares in exchange for Preferred Shares in the Amalgamation 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.

Brascan Class A Preference Shares to be issued to U.S. shareholders of the Corporation pursuant to the Amalgamation 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 Amalgamation 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 Brascan following the Amalgamation, the Brascan Class A 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. 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 Thursday, December 30, 2004, at 11:00 a.m., in the Boardroom, at Suite 300, BCE Place, 181 Bay Street, Toronto, Ontario.

Record Date

The Record Date for the determination of Preferred Shareholders entitled to notice of the Meeting is November 30, 2004.

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 Amalgamation on the terms set out in the Amalgamation Agreement, as set out in Appendix 2 to this Circular.

The Corporation

The Corporation is an asset management company. The Corporation's clients include governments, institutions, corporations and high net-worth individuals. The Corporation also provides select business services and is active in the capital markets.

The Corporation focuses its activities on industries that require substantial amounts of capital, such as real estate, natural resources, energy and financial services. As a subsidiary of Brascan, the Corporation benefits from the knowledge and expertise of Brascan's affiliates which include major companies operating in these industries.

Further information regarding the Corporation and its business can be found under the heading **Information Regarding the Amalgamation - The Corporation** and in the documents listed under the heading **Additional Information Regarding the Corporation - Documents Incorporated by Reference**.

Reasons for the Amalgamation

The Corporation was privatized in 2002 when Brascan increased its common share ownership from 70% to 100%. However the Corporation has existed since that time as a reporting issuer with publicly traded Preferred Shares and debt. The Amalgamation is the first step in a series of transactions that will have the effect of combining the Corporation with Brascan. The Amalgamation and subsequent Combination is a further step in Brascan's ongoing strategy to simplify its corporate structure. The Amalgamation and the Combination will reduce administrative costs and simplify operations for the Brascan group. Furthermore, as a result of the exchange of Brascan Class A Preference Shares for the Preferred Shares, Preferred Shareholders will benefit from Brascan's higher preferred share credit ratings.

See **Information Regarding the Amalgamation - Reasons for the Amalgamation** and **Preferred Share Ratings**.

Terms of the Amalgamation

The Effective Date of the Amalgamation is anticipated to be on or about December 30, 2004. If the Special Resolution is approved by the Preferred Shareholders and the conditions set out in the Amalgamation

Agreement are satisfied or waived, on the Effective Date, the Corporation and Trilon will amalgamate and continue as Amalco.

Preferred Shares

On the Effective Date, Preferred Shareholders (other than Dissenting Shareholders and Trilon) will receive Brascan Class A Preference Shares as follows:

- (i) each issued and outstanding Class I Series A Share will become one Brascan Class A Preference Share, Series 13;
- (ii) each issued and outstanding Class II Series Two Share will become one Brascan Class A Preference Share, Series 14;
- (iii) each issued and outstanding Class II Series Three Share will become one Brascan Class A Preference Share, Series 13;
- (iv) each issued and outstanding Class II Series Four Share will become one Brascan Class A Preference Share, Series 15;
- (v) each issued and outstanding Class III Series One Share (all of which are owned by Trilon) will be cancelled; and
- (vi) each issued and outstanding Class III Series Two Share (all of which are owned by Trilon) will be cancelled.

As a result of the Amalgamation, all of the outstanding Preferred Shares of the Corporation will be exchanged for the respective series of Brascan Class A Preference Shares noted above, which shares shall have terms and conditions that are the same, in all material respects, as the Preferred Shares for which they have been exchanged.

See [Information Regarding the Amalgamation](#) [Terms of the Amalgamation](#) .

Brascan Corporation

Brascan is an asset management company. With a focus on real estate and power generation. Brascan has direct investments of US\$19 billion and a further US\$7 billion of assets under management. These include 70 premier office properties and 120 power generating plants. Brascan is listed on the New York Stock Exchange and the TSX.

Further information regarding Brascan and its business can be found under the heading [Information Concerning Brascan](#) and in the documents listed under the heading [Brascan Documents Incorporated by Reference](#).

Transaction Consideration

If the Amalgamation is approved by the Preferred Shareholders, each Preferred Shareholder (other than Dissenting Shareholders and Trilon) will receive the Preferred Share Consideration on the Effective Date.

Following the Amalgamation, the Class I Series A Shares and Class II Series Three Shares will represent the Brascan Class A Preference Shares, Series 13 and the Class II Series Four Shares will represent the Brascan Class A Preference Shares, Series 15 until replaced against transfer. Following the Effective Date, any holder of these shares may tender to Brascan's transfer agent their original share certificate(s) and receive in its place a new certificate

representing the Brascan Class A Preference Shares to which they are then entitled.

The Class II Series Two Shares are held through the book-entry system of CDS and therefore no certificates will be issued representing the Brascan Class A Preference Shares, Series 14.

See Information Regarding the Amalgamation Transaction Consideration.

Recommendation of the Board

The Board has determined that the Amalgamation is in the best interests of the Corporation. **The Board unanimously recommends that all shareholders vote in favour of the Special Resolution.**

See Information Regarding the Amalgamation Recommendation of the Board.

Certain Canadian Federal Income Tax Considerations

A Preferred Shareholder will not realize a capital gain or capital loss for Canadian federal income tax purposes on the exchange of Preferred Shares for Brascan Class A Preference Shares on the Amalgamation.

The tax treatment to a holder of taxable dividends received on a particular series of Brascan Class A 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 Amalgamation Certain Canadian Federal Income Tax Considerations .

Shareholder Approvals Required

In order for the Amalgamation to be effective under the Act, the Special Resolution 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 each class of Preferred Shares present.

As of the Record Date, Brascan holds, directly and indirectly, shares representing approximately 16% of the votes attaching to the Class II preferred shares of the Corporation and shares representing 100% of the votes attaching to the Class III preferred shares of the Corporation. Brascan has advised the Corporation that it intends to vote all of its Preferred Shares in favour of the Special Resolution.

Diversified Canadian holds shares representing approximately 32% of the votes attaching to the Class II preferred shares of the Corporation. Diversified Canadian has informed the Corporation that it intends to vote its Preferred Shares in favour of the Special Resolution.

See Information Regarding the Amalgamation Shareholder Approvals Required .

Right to Dissent

Registered holders of Preferred Shares have the right to dissent in respect of the Amalgamation and to be paid the fair value of the Preferred Shares held, as fixed by a court and determined as at the close of business on the day before the Special Resolution approving the Amalgamation is adopted, in cash upon strict compliance with the provisions of applicable law. Failure by a Dissenting Shareholder to adhere strictly to the requirements of section 185 of the Act may result in the loss or unavailability of rights under that section.

See Information Regarding the Amalgamation Right to Dissent .

Price Range and Trading Volume for the Preferred Shares

The Class I Series A Shares, Class II Series Two Shares and the Class II Series Three Shares are the only shares of the Corporation listed on the TSX.

- 6 -

The closing price of the Class I Series A Shares on the TSX on December 3, 2004, the last date on which the Class I Series A Shares traded prior to the first announcement of the proposed Amalgamation, was \$23.50.

The Class II Series Two Shares were not traded on the TSX in 2003 or 2004. The closing price of the Class II Series Two Shares on the TSX on June 5, 2002, the last date on which the Class II Series Two Shares traded, was \$85.25.

The closing price of the Class II Series Three Shares on the TSX on December 3, 2004, the last date on which the Class II Series Three Shares traded prior to the first announcement of the proposed Amalgamation, was \$23.21.

See Price Range and Trading Volumes for the Preferred Shares .

Effect of the Amalgamation on Markets and Listings

Shortly after the Effective Date, it is intended that the Class I Series A Shares, Class II Series Two Shares and Class II Series Three Shares will be delisted from the TSX, and that the Brascan Class A Preference Shares, Series 13 will be listed in substitution for the Class I Series A Shares and Class II Series Three Shares and the Brascan Class A Preference Shares, Series 14 will be listed on the TSX in substitution for the Class II Series Two Shares. The TSX has conditionally approved the substitutional listing of the Brascan Class A Preference Shares, Series 13 and 14, subject to fulfilling all the requirements of the TSX. It is expected that these shares will trade under the stock symbols **BNN.PR.K** and **BNN.PR.L**.

See Effect of the Amalgamation on Markets and Listings .

THE MEETING AND GENERAL PROXY INFORMATION

The information contained in this Circular is furnished in connection with the solicitation by Management of proxies to be used at the Meeting of Preferred Shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice. 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 contained herein is given as at November 30, 2004, unless indicated otherwise.

Date, Time and Place of Meeting

The Meeting of Shareholders will be held on Thursday, December 30, 2004, at 11:00 a.m., in the Boardroom, at Suite 300, BCE Place, 181 Bay Street, Toronto, Ontario.

Record Date

The Record Date for the determination of Preferred Shareholders entitled to notice of the Meeting is November 30, 2004.

Purpose of Meeting

At the Meeting, Preferred Shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the Special Resolution approving the Amalgamation on the terms set out in the Amalgamation Agreement, as set out in Appendix 2 to this Circular.

Appointment of Proxies

The persons named in the enclosed form of proxy are representatives of Management and are directors of the Corporation. **Each shareholder has the right to appoint a person, other than the persons named in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof.** Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy. The completed form of proxy must be deposited with the Secretary of the Corporation c/o CIBC Mellon Trust Company, Attention: Proxy Department, Unit 6, 200 Queens Quay East, Toronto, Ontario M5A 4K9, not later than 11:00 a.m. on Friday, December 24, 2004 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before any adjournment of the Meeting.

Non-Registered Holders

Only registered holders of Preferred Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Preferred Shares of the Corporation beneficially owned by a holder (a **Non-Registered Holder**) are registered either:

- (a) in the name of the intermediary (an **Intermediary**) that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

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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 Meeting Materials to the depositaries and Intermediaries for onward distribution to Non-Registered Holders.

- 8 -

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically Intermediaries will use a service company (such as ADP Investor Communications) to forward the Meeting Materials to Non-Registered Holders.

Non-Registered Holders who have not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

- (a) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's 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 a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder.
- (b) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Secretary of the Corporation c/o CIBC Mellon Trust Company, Attention: Proxy Department, Unit 6, 200 Queens Quay East, Toronto, Ontario M5A 4K9 as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

The execution or exercise of a proxy does not constitute a written objection for the purposes of section 185 of the Act. For information on dissenting shareholder rights, see Information Regarding the Amalgamation Right to Dissent .

Revocation

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so:

- (a) by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;
- (b) by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing;
 - (i) at the registered office of the Corporation at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or

(ii) with the Chairman of the Meeting, prior to its commencement, on the day of the Meeting or any adjournment thereof; or

(c) in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Voting of Shares Represented by Management Proxies

Shares represented by properly executed proxies in favour of the management representatives named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the shares shall be voted in accordance with the specifications so made. **Where shareholders have properly executed proxies in favour of the management representatives named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted for the approval of such matter, as set forth in this Circular.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, Management knows of no such amendments, variations or other matters to come before the Meeting.

Voting Shares and Principal Holders Thereof

As of November 30, 2004, the Corporation had outstanding 151,713,608 fully paid and non-assessable Common Shares. The Common Shares include 103,796,049 Class A Shares and 47,917,559 Class B Non-Voting Shares, which are convertible into Class A Shares at the holder's option at any time. The Common Shareholders approved the Amalgamation in a consent resolution dated December 3, 2004 and therefore are not required to vote at the Meeting.

As of November 30, 2004, the Corporation had outstanding the following Preferred Shares: 6,000,000 Class I Series A Shares, 665,000 Class II Series Two Shares, 3,999,000 Class II Series Three Shares, 4,000,000 Class II Series Four Shares, 5,000,000 Class III Series One Shares and 482,888 Class III Series Two Shares. Each holder of Preferred Shares of record at the close of business on November 30, 2004, the Record Date established for notice of the Meeting, will be entitled to one vote in respect of each \$1.00 of issue price of each Preferred Share held by the holder. Therefore holders of the Class II Series Two Shares are entitled to 100 votes per share on all matters proposed to come before the Meeting and all other holders of Preferred Shares are entitled to 25 votes per share on all matters proposed to come before the Meeting.

If a holder has transferred any Preferred Shares after the Record Date and the transferee of such shares establishes ownership of them and demands up to the time of the commencement of the Meeting of shareholders to be included in the list of shareholders entitled to vote at the Meeting, the transferee will be entitled to vote such shares.

To the knowledge of the directors and officers of the Corporation, the only persons who or corporations which beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% or more of the voting rights attached to any class of voting shares of the Corporation entitled to be voted at the Meeting, the approximate number of the shares beneficially owned, directly or indirectly, or controlled or directed by each such person or company, and the percentage of the class of outstanding voting shares of the Corporation represented by such shares so owned, controlled or directed are:

Name	Number and Class of Shares	Number of Votes	Percentage of Class Votes
Brascan Corporation (including private subsidiaries)	314,975 Class II Series Two Shares		
	417,600 Class II Series Three Shares		
	2,000 Class II Series Four Shares	41,987,500	16%
Diversified Canadian Financial Corp.	5,000,000 Class III Series One Shares		
	482,888 Class III Series Two Shares	137,072,200	100%
	1,148,000 Class II Series Four Shares	28,700,000	11%
Diversified Canadian Financial II Corp.	350,000 Class II Series Two Shares	56,250,000	21%
	850,000 Class II Series Four Shares		
Jayvee & Co.	2,000,000 Class II Series Four Shares	50,000,000	19%

Diversified Canadian Financial Corp. and Diversified Canadian Financial II Corp. (collectively, **Diversified Canadian**) are investment companies with portfolios consisting of cumulative, redeemable, perpetual preferred shares of companies within the Brascan group of companies. These companies are listed on the TSX. The operations of Diversified Canadian are administered by a subsidiary of Brascan, as a part of its asset management activities.

Jayvee & Co. is a nominee company.

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 Amalgamation, on the terms set out in the Amalgamation Agreement. A copy of the full text of the Special Resolution and a copy of the Amalgamation Agreement are attached as Appendices 1 and 2, respectively, to this Circular.

INFORMATION REGARDING THE AMALGAMATION

The Corporation

The Corporation was continued under the Act by a certificate and articles of continuance dated February 8, 1994. The Corporation changed its name from Trilon Financial Corporation on May 22, 2002. The Corporation's registered and principal office is at BCE Place, 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

The Corporation is an asset management company. The Corporation's clients include governments, institutions, corporations and high net-worth individuals. The Corporation also provides select business services and is active in the capital markets.

The Corporation focuses its activities on industries that require substantial amounts of capital, such as real estate, natural resources, energy and financial services. As a subsidiary of Brascan, the Corporation benefits from the knowledge and expertise of Brascan's affiliates which include major companies operating in these industries.

For further information regarding the Corporation and its business, see the documents listed under the heading Additional Information Regarding the Corporation Documents Incorporated by Reference.

Reasons for the Amalgamation

The Corporation was privatized in 2002 when Brascan increased its common share ownership from 70% to 100%. However the Corporation has existed since that time as a reporting issuer with publicly traded Preferred Shares and debt. The Amalgamation is the first step in a series of transactions that will have the effect of combining the Corporation with Brascan. The Amalgamation and subsequent Combination is a further step in Brascan's ongoing strategy to simplify its corporate structure. The Amalgamation and the Combination will reduce administrative costs and simplify operations for the Brascan group. Furthermore, as a result of the exchange of Brascan Class A Preference Shares for the Preferred Shares, the Preferred Shareholders will benefit from Brascan's higher preferred share credit ratings.

Terms of the Amalgamation

The Amalgamation, which is being carried out pursuant to sections 175 and 176 of the Act, will be effected in accordance with the Amalgamation Agreement which is attached as Appendix 2 to this Circular. Subject to obtaining the requisite shareholder approvals, satisfaction or waiver of all other conditions as provided in the Amalgamation Agreement and the filing of articles of amalgamation, the Amalgamation will become effective on the Effective Date, expected to be on or about December 30, 2004.

On the Effective Date, the Corporation and Trilon will amalgamate and continue as Amalco and:

- (a) each issued and outstanding Class A Share (all of which are owned by Trilon) will be cancelled;
- (b) each issued and outstanding Class B Non-Voting Share (all of which are owned by Trilon) will be cancelled;
- (c) each issued and outstanding Class I Series A Share (other than those held by Dissenting Shareholders) will become one Brascan Class A Preference Share, Series 13;
- (d) each issued and outstanding Class II Series Two Share (other than those held by Dissenting Shareholders) will become one Brascan Class A Preference Share, Series 14;
- (e) each issued and outstanding Class II Series Three Share (other than those held by Dissenting Shareholders) will become one Brascan Class A Preference Share, Series 13;
- (f) each issued and outstanding Class II Series Four Share (other than those held by Dissenting Shareholders) will become one Brascan Class A Preference Share, Series 15;
- (g) each issued and outstanding Class III Series One Share (all of which are owned by Trilon) will be cancelled;
- (h) each issued and outstanding Class III Series Two Share (all of which are owned by Trilon) will be cancelled;
- (i) each issued and outstanding Trilon Common Share will become one Amalco Common Share;
- (j) each issued and outstanding Trilon Preference Share (other than those held by Dissenting Shareholders and held directly by Brascan) will become one Brascan Class A Preference Share, Series 16; and
- (k) each issued and outstanding Trilon Preference Share held directly by Brascan will become one Amalco Common Share.

As a result of the Amalgamation, all of the outstanding Preferred Shares of the Corporation will be exchanged for the respective series of Brascan Class A Preference Shares noted above, which shares shall have

terms and conditions that are the same, in all material respects, as the Preferred Shares for which they have been exchanged.

Declared but Unpaid Dividends

Any dividends declared by the Board of Directors for payment to Preferred Shareholders of record on a date prior to the Effective Date, which remain unpaid as at the date of the Amalgamation, 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 Amalgamation.

Conditions Precedent

The Amalgamation Agreement is subject to several conditions, including that: (a) the Preferred Shareholders of the Corporation approve the Amalgamation; (b) the Brascan Class A Preference Shares, Series 13 and 14 are freely tradable in all jurisdictions in Canada in which Preferred Shareholders reside and are conditionally approved for listing on the TSX; (c) all necessary governmental or regulatory approvals and consents have been obtained; and (d) no change in respect of the Corporation or Trilon (including a legal proceeding or a change in legislation) has occurred that might make it inadvisable for Brascan, the Corporation or Trilon to proceed with the Amalgamation.

Legal Effect of the Amalgamation and the Combination

Promptly following the Amalgamation, Brascan will cause the Combination to be completed. As a result of the Amalgamation and the Combination:

- (a) the property of each of the Corporation and Trilon will be the property of Brascan; and
- (b) Brascan will be liable for all of the obligations of each of the Corporation and Trilon.

Termination

The Amalgamation Agreement may be terminated by the Board prior to the issuance of a certificate of amalgamation, notwithstanding approval of the Special Resolution by Pre