

The Depository Trust Company

IMPORTANT

B#: 3406

DATE: May 16, 2002

TO: All Participants
Managing Partner/Officer; Cashier & Operations

CATEGORY: Settlement/Underwriting

FROM: Denise Russo, Director, Underwriting Dept.

ATTENTION: Data Processing & Underwriting Managers

SUBJECT: Specialized Ownership Restrictions on Trizec Canada, Inc.
Common Stock, CUSIP #: 896874104

Effective immediately, the above-referenced security is eligible for DTC's "Segregation 100" (SEG-100) program.

Special Instructions:

DTC has been informed by the issuer that Participants are required to follow the instructions below:

The issuer has informed DTC that the provisions of the Income Tax Act (Canada) and the Articles of Incorporation of the issuer limit the ownership by persons other than "Canadian Residents" (as defined below) of shares of the issuer's stock (including the Restricted Stock) and securities currently convertible or exercisable to acquire shares of the issuer's stock (collectively, the "Constrained Securities") to less than that percentage of Constrained Securities that is equal to 45% less the greater of (a) zero and (b) the percentage that (i) the number Convertible Securities owned by "Canadian Residents" less the number of Convertible Securities owned by non-Canadian residents is of (ii) the total number of Constrained Securities. For the purposes of the ownership limitation on the Restricted Stock, the issuer has limited ownership by persons other than "Canadian Residents" to 35% of the aggregate issued and outstanding shares of such stock.

In connection with the foregoing ownership limitation, "Canadian Resident" means a Person who is a resident of Canada for purposes of the Income Tax Act (Canada) but does not include (i) a partnership that is not a "Canadian partnership" as defined in the Income Tax Act (Canada) or (ii) a trust unless the trust is a resident of Canada for purposes of the Income Tax Act (Canada) and the interests in such trust of beneficiaries who are Canadian Residents have an aggregate value equal to or greater than 95% of the value of the interests of all beneficiaries in the trust. For the purposes of this definition, "Person" means an individual, company, partnership (whether or not having separate legal personality), corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government, state or political subdivision thereof or any agency of such government, state or political subdivision.

Participants should transfer foreign-owned shares of Trizec Canada, Inc. Common Stock to their SEG-100 accounts and maintain them there. The "Certifications" page in the Reference Directory identifies the issues which are and are not eligible for SEG-100 program. This program is described further in DTC Important Notice B#4335-88 dated June 16, 1988.

Questions regarding this notice should be addressed to Maurice Walker, Underwriting Supervisor, at (212) 855-3704 or Robin Bainlardi, Manager, at (212) 855-3793.