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## **M. 9224 - BROOKFIELD ASSET MANAGEMENT/JOHNSON CONTROLS POWER SOLUTIONS BUSINESS**

### **SECTION 1.2**

#### **Description of the concentration**

Pursuant to a stock and asset purchase agreement dated 13 November 2018 (the *SAPA*), the notified transaction involves the proposed acquisition of the Power Solutions business (the *Target*) of Johnson Controls International plc by BCP Acquisitions LLC, a special purpose vehicle established under the laws of Delaware (USA) and ultimately controlled by Brookfield Asset Management Inc. (collectively, *Brookfield* and with the Target, the *Parties*),<sup>1</sup> from Johnson Controls International plc (the *Proposed Transaction*). As a result of the Proposed Transaction, Brookfield will acquire sole control of the Target within the meaning of Article 3(1)(b) of the EU Merger Regulation.<sup>2</sup>

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<sup>1</sup> Prior to the closing date, BCP Acquisitions LLC may assign the SAPA to one or more of its affiliates that will be, in each case, ultimately controlled by Brookfield Asset Management Inc.

<sup>2</sup> La Caisse de dépôt et placement du Québec (CDPQ) will acquire a non-controlling minority interest in the Target following the Proposed Transaction. A copy of the term sheet which sets out the governance rights to be held in the Target by each of Brookfield and CDPQ is attached at Annex 5. The governance rights from which CDPQ will benefit will not grant it joint control of the Target within the meaning of Article 3(1)(b) of the EUMR. The protections that accompany CDPQ's investment, including the required consent for material changes to the Target business (i.e. only those changes that are fundamental to the nature of the Target business), are normal course minority investor protections designed to preserve the financial interests of CDPQ as a passive shareholder. CDPQ will not acquire any special majority or veto rights which would grant it joint control over the Target. CDPQ's governance rights are intentionally limited and do not relate to the normal course operational or commercial policies of the Target, nor do they afford CDPQ the ability to control the appointment of senior Target management, the budget or the business plan of the Target. The minority investor protections from which CDPQ will benefit cannot, in Brookfield's view, reasonably be regarded as giving CDPQ a joint controlling interest. See for example Case M.8452 SUEZ/GE Water and Process Technologies.