

MATERIAL CHANGE REPORT

Section 75 of the *Securities Act* (Ontario)
Section 67 of the *Securities Act* (British Columbia)
Section 118 of the *Securities Act* (Alberta)
Section 84 of the *Securities Act, 1988* (Saskatchewan)
Section 81 of the *Securities Act* (Nova Scotia)
Section 76 of the *Securities Act, 1990* (Newfoundland)

1. Reporting Issuer

Bracknell Corporation
Suite 1506, 150 York Street
Toronto, Ontario
M5H 3S5

2. Date of Material Change

September 30, 1999

3. Press Release

A press release was issued in Toronto, Ontario on September 30, 1999 and is attached as Schedule "A".

4. Summary of Material Changes

A) Nationwide Electric, Inc.

On September 30, 1999, NW Sub. Inc., a wholly-owned U.S. subsidiary of Bracknell Corporation, merged with Nationwide Electric, Inc. ("Nationwide"), with NW Sub, Inc. being the surviving entity. The merger resulted in all of the outstanding shares of Nationwide being exchanged by NW Sub, Inc. for consideration comprising cash and various securities of Bracknell Corporation.

B) Financing

NW Sub Inc. obtained interim financing of US\$30,000,000 from Royal Bank of Canada in order to partially finance the acquisition of Nationwide by NW Sub Inc. Bracknell Corporation has guaranteed the obligations of NW Sub Inc. for such loan (the "Guarantee") and that the corporation's obligations under the Guarantee have been secured by a general security agreement from the corporation creating a security interest in all of its assets.

Bracknell Corporation has obtained a commitment for term financing in an amount not exceeding USD \$192,500,000 to be provided to the corporation by the Royal Bank of Canada

and other financial institutions to be selected. The financing will be available in various tranches for acquisition and working capital purposes, with specified financial covenants and other standard financing terms.

5. **Full Description of Material Changes**

Nationwide Electric, Inc.

Nationwide is a provider of electrical installation and maintenance services in the U.S., serving customers in the automotive, telecommunications, technology, energy and commercial markets in 15 states, the United Kingdom, Canada and Australia. Nationwide has grown rapidly through internal growth and acquisition. Headquartered in Minneapolis, Minnesota, Nationwide had 1999 proforma revenues in excess of US\$225 million and over 1,500 employees.

The merger agreement provides for an aggregate purchase price consideration of approximately US \$76.5 million, and assumption of existing Nationwide debt of approximately US \$15 million. The purchase price consideration was comprised of the following:

- a) US \$45.6 million in cash;
- b) 6,041,638 Bracknell common shares at a price of US\$4.25 per Bracknell common share;
- c) warrants to purchase 385,822 Bracknell common shares at a price of US\$4.25 per Bracknell share for a period of 18 months;
- d) 1,273,535 Series A Convertible Preferred shares, convertible upon shareholder approval into Bracknell common shares at a price of US\$4.25 per share, failing which there is payable a dividend of 9.5% per annum with a retraction available to Bracknell Corporation after five years;
- e) In the event that Bracknell common shares do not trade above an average price of U.S. \$4.25 for 30 consecutive trading days prior to October 1, 2000, the shareholder who has received a Bracknell Common Share or Preferred Share is entitled to receive U.S. \$0.25 per share payable in convertible preferred shares or cash at the holder's option; and
- f) Bracknell Corporation has agreed to exchange 398,200 Nationwide employee stock options for 1,122,924 options for Bracknell common shares at a price of US \$4.25 per Bracknell common share and subject to approval of Bracknell shareholders.

Bracknell Corporation agreed to enter into a securities registration rights agreement in favour of the shareholders of Nationwide Electric, Inc. as required under the merger agreement, which provides the shareholders of Nationwide Electric, Inc. with two demand U.S. registrations of Bracknell common shares in the United States, and piggy-back registration rights in the event

Bracknell Corporation pursue registration in the United States.

6. Reliance on Section 75(3) of the Ontario Securities Act or Equivalent Provisions

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officer

For further information please contact John R. Naccarato, Corporate Counsel and Secretary, at (416) 360-4105.

9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario this 8th day of October, 1999.

BRACKNELL CORPORATION

by (signed John R. Naccarato)

Name: John R. Naccarato

Title: Corporate Counsel and Secretary

SCHEDULE A

PRESS RELEASE

For Immediate Release

Source: Bracknell Corporation

Contact: Mr. John R. Naccarato
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Bracknell Completes Major U.S. Acquisition

Transaction Doubles Company's Size

Toronto, Ontario, September 30, 1999... Bracknell Corporation announced today it has acquired all of the shares of Nationwide Electric, Inc., one of the largest electrical services companies in the United States, for US\$76.7 million.

The transaction nearly doubles Bracknell's size and accelerates its growth by extending its core business to new U.S. markets and customers. Nationwide is a fast growing company that combines management strength, high-quality operations and a proven track record of success. With operations in 15 states, Nationwide's operators have built a distinct competitive advantage by focusing on higher margin design/build and value-added specialty electrical services that increases the proportion of recurring revenues.

"This acquisition increases Bracknell's ability to become a significant player in North America's expanding facilities services industry and deliver value for our shareholders," said Paul D. Melnuk, Chief Executive Officer. "With our talented people and our financial strength, we will continue to aggressively pursue our new generation of growth."

Under the deal, Bracknell will acquire all of the common shares of Nationwide for a combination of US\$45.6 million in cash, 6.0 million in Bracknell common shares at a price of US\$4.25(C\$6.33) per Bracknell share, warrants to purchase up to 385,822 Bracknell common shares at a price of US\$4.25 (C\$6.33) per Bracknell share, and preferred shares convertible, upon shareholder approval, into 1.3 million new Bracknell common shares at a price of US\$4.25 per share. In addition, the Company will assume US\$15 million of term debt and a revolving working capital facility.

To finance this transaction and provide funds for further growth, Bracknell has also secured a new US\$192.5 million bank facility fully underwritten by Royal Bank of Canada as lead arranger.

“This transaction meets our most important criteria of providing value to our shareholders,” said Mr. Melnuk. “Nationwide is compatible with our existing operations and provides an outstanding platform for continued growth in the U.S. market. Moreover, the acquisition is highly accretive to our operating earnings per share while generating attractive internal rates of return.”

Headquartered in Minneapolis, Minnesota, Nationwide is a private company with revenues in excess of US\$225 million and over 1,500 employees. It serves customers in 15 states, Canada, the United Kingdom and Australia.

Bracknell also reported today that it has completed the sale of its 50% interest in Montreal-based National-State Construction Group, Inc. for C\$2 million consideration. The sale is consistent with the company’s strategy of focusing on facilities services operations that it can control.

Bracknell Corporation is a leading North American facilities services company that provides a broad range of essential technical and management services to ensure that buildings, plant and equipment operate effectively. Bracknell serves customers in the automotive, steel, technology, telecommunications, commercial, energy and pulp and paper sectors in Canada, the U.S. and abroad. The company’s shares are traded on the Toronto Stock Exchange under the ticker symbol BRK.

For further information, please contact:

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