

Brookfield Asset — Management Inc.

2019 MANAGEMENT INFORMATION CIRCULAR

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS AND AVAILABILITY OF INVESTOR MATERIALS

An Annual and Special Meeting of Shareholders of Brookfield Asset Management Inc. (the “Corporation” or “Brookfield”) will be held at the **Design Exchange, 234 Bay Street, Toronto, Canada on Friday, June 14, 2019 at 10:30 a.m.** Eastern Daylight Time (EDT), to:

1. receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018, including the external auditor’s report thereon;
2. elect directors who will serve until the next annual meeting of shareholders;
3. appoint the external auditor who will serve until the next annual meeting of shareholders and authorize the directors to set its remuneration;
4. consider and, if thought advisable, pass an advisory resolution on the Corporation’s approach to executive compensation;
5. consider and, if thought advisable, pass a resolution approving the adoption of a new management share option plan; and
6. consider two shareholder proposals described in our management information circular to be dated April 29, 2019 (the “Circular”).

We will consider any other business that may properly come before the meeting. You have the right to vote at the meeting if you were a Brookfield shareholder at the close of business on May 1, 2019. Before casting your vote, we encourage you to review the meeting’s business in the section “Business of the Meeting” of the Circular to be dated April 29, 2019. The Circular will be made publicly available on May 13, 2019.

This year we are again posting electronic versions of the Circular and our 2018 Annual Report (collectively, the “investor materials”) on our website for shareholder review – a process known as “Notice and Access.” Electronic copies of the investor materials may be accessed at <https://bam.brookfield.com> under “Notice and Access 2019” and at www.sedar.com and www.sec.gov/edgar.

Under Notice and Access, if you would like paper copies of any investor materials please contact us at 1-866-989-0311 or enquiries@brookfield.com and we will mail materials free of charge within three business days of your request, provided the request is made before the date of the meeting or any adjournment thereof. In order to receive investor materials in advance of the deadline to submit your vote, we recommend that you contact us before 5:00 p.m. EDT on May 30, 2019. All shareholders who have signed up for electronic delivery of the investor materials will continue to receive them by email.

Webcast

The meeting will be broadcast live by video webcast. The webcast of the meeting may be accessed at <https://edge.media-server.com/m6/go/brookfield-agm-2019>.

Information for Registered Holders


If you are not attending the meeting and wish to vote by proxy, we must receive your vote by 5:00 p.m. EDT on Wednesday, June 12, 2019. You can cast your proxy vote in the following ways:

- On the Internet at www.astvotemyproxy.com;
- Fax your signed proxy to (416) 368-2502 or 1-866-781-3111;
- Mail your signed proxy using the business reply envelope accompanying your proxy;
- Scan and send your signed proxy to proxyvote@astfinancial.com; or
- Call by telephone at 1-888-489-5760.

Information for Non-Registered Holders

Non-registered shareholders will receive a voting instruction form with their physical copy of this notice. If you wish to vote, but not attend the meeting, the voting instruction form must be completed, signed and returned in accordance with the directions on the form.

By Order of the Board



Justin B. Beber
Managing Partner,
Head of Corporate Strategy
& Chief Legal Officer

LETTER TO SHAREHOLDERS

To our shareholders,

On behalf of your Board of Directors, we are pleased to invite you to attend the 2019 annual and special meeting of Brookfield Asset Management Class A and B shareholders. The meeting will take place at 10:30 a.m. on Friday, June 14, 2019 in Toronto, Canada. You can read about the business of the meeting beginning on page seven of the accompanying Management Information Circular. This Circular also provides important information on voting your shares at the meeting, our 16 director nominees, our corporate governance practices, and director and executive compensation. Additionally, shareholders will be asked to consider adopting a new management share option plan that the Board has endorsed in order to ensure continued alignment between shareholders and management.

2018 Highlights

In 2018, we continued to expand our asset management activities, increasing total assets under management to over \$350 billion. We increased fee bearing capital by approximately 10% to \$138 billion at the end of 2018, supported by inflows of \$35 billion. The inflows were achieved by, among other things, fundraising efforts and the close of our largest flagship real estate fund to date at \$15 billion and a first close of our latest flagship private equity fund, which now totals approximately \$7.5 billion. Also, during the year, we deployed approximately \$35 billion of capital across our operations. Some of the more notable transactions included: (i) the privatization of GGP Inc., one of the largest retail owners in the U.S.; (ii) the acquisition of Westinghouse Electric Company, an infrastructure services company that provides services to the power industry; and (iii) the acquisition of Saeta Yield, a portfolio of 1,000 megawatts of wind and solar facilities in Spain. In the fourth quarter of 2018, we committed to acquire Johnson Controls' power solution business, a market leader in the production of automotive batteries.

We also recently announced an agreement to acquire approximately 62% of Oaktree Capital Group, LLC ("Oaktree"). This transaction will enable us to broaden our product offering to include one of the finest credit platforms in the world. Completion of the transaction is subject to the approval of Oaktree's unitholders representing at least a majority of the voting interests of Oaktree and other customary closing conditions. Oaktree Capital Group Holdings, L.P., which represents approximately 92% of the voting interests of Oaktree, has agreed to vote all of its units in favor of the transaction. On closing, Brookfield will own approximately 62% of the Oaktree business and the management group of Oaktree will own the remaining 38%. The transaction remains subject to certain governmental and regulatory approvals, with closing targeted to occur in the third quarter of 2019.

The Board continues to be active in its oversight of Brookfield's strategy, and growing our operations. In addition, the Board focused this year on preparing the asset management business for the potential of more uncertain economic times ahead, as well as threats and evaluating opportunities that disruptive technologies present to our operations.

Board Developments

Embedded in Brookfield's asset management activities and its underlying business operations, is a focus on environmental, social, and governance management ("ESG"). While our Board of Directors has always had oversight over ESG matters, at the end of 2018, our Board formally embedded ESG management into its mandate, as well as the mandate of the Governance & Nominating Committee.

We continue to focus on ensuring that we have diversity of skills and experience among our directors that aligns with the company's strategic priorities across different markets. To that end, as previously announced, it is proposed that Howard Marks, Co-Chairman of Oaktree, join the board following the close of the Brookfield/Oaktree transaction described above. Since co-founding the firm in 1995, Mr. Marks has been responsible for ensuring Oaktree's adherence to its core investment philosophy; communicating closely with clients concerning products and strategies; and contributing his experience to big-picture decisions relating to investments and corporate direction. Mr. Marks is also a Trustee and Chairman of the Investment Committee at the Metropolitan Museum of Art, Chairman of the Investment Committee and Board of Trustees of the Royal Drawing School, and an Emeritus Trustee of the University of Pennsylvania where, from 2000 to 2010, he chaired the Investment Board.

After serving over eight years as a Board member, Mr. Youssef Nasr has decided to retire from our Board of Directors. Mr. Nasr has a longstanding association with Brookfield extending over 30 years. His financial acumen, business experience, and global geopolitical perspective has been instrumental to Brookfield's growth and success. On behalf of the company and its shareholders, I want to extend our sincere appreciation to Mr. Nasr for his contributions to Brookfield and our Board.

Shareholder Meeting

Please take time to read our Management Information Circular and determine how you will vote your shares. Your participation in our annual meeting is important to us and we are thankful for your engagement in this process.

The Board wishes to express our appreciation for your continued faith in us and we look forward to meeting with you on June 14th.

Yours truly,

A handwritten signature in black ink that reads "Frank McKenna". The signature is written in a cursive style with a large initial "F" and "M".

The Honourable Frank J. McKenna
Brookfield Asset Management Board Chair
April 2019

MANAGEMENT INFORMATION CIRCULAR

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PART ONE – VOTING INFORMATION

This Management Information Circular (“Circular”) is provided in connection with the solicitation by management of Brookfield Asset Management Inc. (“Brookfield” or the “Corporation”) of proxies for the Annual and Special Meeting of Shareholders of the Corporation (the “meeting”) referred to in the Corporation’s Notice of Annual and Special Meeting of Shareholders and Availability of Investor Materials dated April 25, 2019 (the “Notice”) to be held at the **Design Exchange, 234 Bay Street, Toronto, Canada on Friday, June 14, 2019 at 10:30 a.m. Eastern Daylight Time (EDT)**. The meeting will be broadcast live by video webcast. The webcast of the meeting may be accessed at <https://edge.media-server.com/m6/go/brookfield-agm-2019>.

This solicitation will be made primarily by sending proxy materials to shareholders by mail and email, and in relation to the delivery of this Circular, by posting this Circular on our website at <https://bam.brookfield.com> under “Notice and Access 2019,” on our System for Electronic Document Analysis and Retrieval (“SEDAR”) profile at www.sedar.com and on our Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”) profile at www.sec.gov/edgar pursuant to Notice and Access. See “Notice and Access” below for further information. 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 April 29, 2019, unless otherwise indicated. As the Corporation operates in U.S. dollars and reports its financial results in U.S. dollars, all financial information in this Circular is denominated in U.S. dollars, unless otherwise indicated. All references to £ are to British Pound Sterling and all references to C\$ are to Canadian dollars. For comparability, all Canadian dollar amounts in this Circular have been converted to U.S. dollars at the average exchange rate for 2018 as reported by Bloomberg L.P. (“Bloomberg”) of C\$1.00 = US\$0.7718, unless otherwise indicated.

Who Can Vote

As at April 29, 2019, the Corporation had 994,224,022 Class A Limited Voting Shares (“Class A Shares”) and 85,120 Class B Limited Voting Shares (“Class B Shares”) outstanding. The Class A Shares are co-listed on the New York Stock Exchange (“NYSE”) under the symbol “BAM,” the Toronto Stock Exchange (“TSX”) under the symbol “BAM.A” and Euronext under the symbol “BAMA.” The Class B Shares are all privately held (see “Principal Holders of Voting Shares” on page 5 of this Circular for further information). Each registered holder of record of Class A Shares and Class B Shares as at the close of business on **Wednesday, May 1, 2019** (the “Record Date”) is entitled to receive notice of and to vote at the meeting. Except as otherwise provided in this Circular, each holder of a Class A Share or Class B Share on such date shall be entitled to vote on all matters to come before the meeting or any adjournment thereof, either in person or by proxy.

The share conditions for the Class A Shares and Class B Shares provide that, subject to applicable law and in addition to any other required shareholder approvals, all matters to be approved by shareholders (other than the election of directors) must be approved by a majority of the votes cast by the holders of Class A Shares and by the holders of Class B Shares who vote in respect of the resolution, each voting as a separate class.

Holders of Class A Shares are entitled, as a class, to elect one-half of the board of directors of the Corporation (the “Board”), and holders of Class B Shares are entitled, as a class, to elect the other one-half of the Board. See “Election of Directors” on page 7 of this Circular for further information.

Notice and Access

Brookfield is using the Notice and Access provisions of National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 — *Continuous Disclosure Obligations* (“Notice and Access”) to provide meeting materials electronically for both registered and non-registered shareholders. Instead of mailing meeting materials to shareholders, Brookfield has posted this Circular and form of proxy on its website at <https://bam.brookfield.com> under “Notice and Access 2019,” in addition to posting it on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar. Brookfield has sent the Notice and a form of proxy or voting instruction form (collectively, the “Notice Package”) to all shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. Brookfield will not directly send the Notice Package to non-registered shareholders. Instead, Brookfield will pay Intermediaries (as defined on page 2 of this Circular) to forward the Notice Package to all non-registered shareholders.

The Corporation has elected to utilize Notice and Access because it allows for a reduction in the use of printed paper materials, and is therefore consistent with Brookfield’s philosophy towards sustainability. Additionally, adopting Notice and Access has significantly lowered printing and mailing costs associated with the Corporation’s shareholder meetings.

Registered and non-registered shareholders who have signed up for electronic delivery of this Circular and the Corporation's Annual Report (which includes management's discussion and analysis and consolidated financial statements for the fiscal year ended December 31, 2018) (the "Annual Report") will continue to receive them by email. No shareholders will receive a paper copy of this Circular unless they contact the Corporation at 1-866-989-0311 or enquiries@brookfield.com, in which case the Corporation will mail this Circular within three business days of any request, provided the request is made *before* the date of the meeting or any adjournment thereof. We must receive your request before 5:00 p.m. EDT on May 30, 2019 to ensure you will receive paper copies in advance of the deadline to submit your vote. If your request is made after the meeting and within one year of this Circular being filed, the Corporation will mail this Circular within 10 calendar days of such request.

Q & A on Proxy Voting

What am I voting on?

Resolution	Who Votes	Board Recommendation
Election of ½ of the Directors	Class A Shareholders	FOR each Director Nominee
Election of ½ of the Directors	Class B Shareholders	FOR each Director Nominee
Appointment of the External Auditor and authorizing Directors to set its remuneration	Class A Shareholders Class B Shareholders	FOR the resolution
Advisory Vote on Executive Compensation	Class A Shareholders	FOR the resolution
Approval of Management Share Option Plan	Class A Shareholders Class B Shareholders	FOR the resolution
Shareholder Proposal One	Class A Shareholders Class B Shareholders	AGAINST the proposal
Shareholder Proposal Two	Class A Shareholders Class B Shareholders	AGAINST the proposal

Who is entitled to vote?

Holders of Class A Shares and holders of Class B Shares as at the close of business on May 1, 2019 are each entitled to one vote per share on the items of business as identified above.

How do I vote?

If you are a registered shareholder you can attend and vote in person at the meeting by registering with Brookfield's transfer agent, AST Trust Company (Canada), on the day of the meeting. You can also vote by proxy up to 48 hours prior to the time of the meeting, as follows:

- to vote by Internet, accessing www.astvotemyproxy.com and following the instructions for electronic voting;
- sign the form of proxy sent to you appointing the persons named thereon or some other person you choose (who need not be a shareholder of the Corporation) to represent you as proxyholder and vote or withhold from voting your shares at the meeting and submit your executed proxy via any of the following options:
 - (i) by mail: in the envelope provided or in one addressed to AST Trust Company (Canada), Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1;
 - (ii) by fax: to 416-368-2502 or 1-866-781-3111; or
 - (iii) by email: scan and send the proxy to proxyvote@astfinancial.com.
- to vote by telephone, call toll-free at 1-888-489-5760. You will be prompted to provide the control number printed below the preprinted name and address on the form of proxy sent to you. The telephone voting service is not available on the day of the meeting and registered shareholders may not appoint a person as proxyholder other than the management nominees named in the form of proxy when voting by telephone.

If you are a non-registered shareholder and your shares are held in the name of an intermediary such as a bank, trust company, securities dealer, broker or other intermediary (each, an "Intermediary"), to direct the votes of shares beneficially owned, see "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 4 of this Circular for voting instructions.

What if I plan to attend the meeting and vote in person?

If you are a registered shareholder and plan to attend the meeting on June 14, 2019 and wish to vote your shares in person at the meeting, please register with AST Trust Company (Canada) when you arrive at the meeting. Your vote will be taken and counted at the meeting.

If your shares are held in the name of an Intermediary and you plan to attend the meeting and vote in person, see “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 4 of this Circular for voting instructions.

Who is soliciting my proxy?

The proxy is being solicited by management of Brookfield and the associated costs will be borne by Brookfield.

What happens if I sign the proxy sent to me?

Signing the proxy appoints Frank J. McKenna or Brian D. Lawson, each of whom is a director of Brookfield, or another person you have appointed, to vote or withhold from voting your shares at the meeting.

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

Yes, you may appoint another person or company other than the Brookfield directors named on the form of proxy to be your proxyholder. Write the name of this person (or company) in the blank space on the form of proxy. The person you appoint does not need to be a shareholder. Please make sure that such other person you appoint is attending the meeting and knows he or she has been appointed to vote your shares. Proxyholders should present themselves to a representative of AST Trust Company (Canada) when they arrive at the meeting. Registered shareholders may not appoint another person or company as proxyholder other than the Brookfield directors named in the form of proxy when voting by telephone.

What do I do with my completed proxy?

Return it to AST Trust Company (Canada) in the envelope provided to you by mail, by fax at (416) 368-2502 or 1-866-781-3111 or scan and send by email to proxyvote@astfinancial.com no later than 5:00 p.m. EDT on **Wednesday, June 12, 2019**, which is two business days before the day of the meeting.

Can I vote by Internet?

Yes. If you are a registered shareholder, go to www.astvotemyproxy.com and follow the instructions on this website. You will need your control number (located under your address on the form of proxy) to identify yourself to the system. You must submit your vote by no later than 5:00 p.m. EDT on **Wednesday, June 12, 2019**, which is two business days before the day of the meeting.

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

Yes. If you are a registered shareholder, you may deliver another properly executed form of proxy with a later date to replace the original proxy in the same way you delivered the original proxy. If you wish to revoke your proxy, prepare a written statement to this effect signed by you (or your attorney as authorized in writing) or, if the shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. **This statement must be delivered to the Corporate Secretary of Brookfield at the address below no later than 5:00 p.m. EDT on the last business day preceding the date of the meeting, Thursday, June 13, 2019, or any adjournment of the meeting, or to the Chair of the Board (the “Chair”) prior to the start of the meeting on Friday, June 14, 2019, or the day of the adjourned meeting.**

Corporate Secretary
Brookfield Asset Management Inc.
Brookfield Place, Suite 300
181 Bay Street, P.O. Box 762
Toronto, Ontario M5J 2T3
Fax: (416) 362-9642

If you are a non-registered shareholder, you may revoke a voting instruction form previously given to an Intermediary at any time by written notice to the Intermediary. An Intermediary is not required to act on a revocation of a voting instruction form unless they receive it at least seven calendar days before the meeting. A non-registered shareholder may then submit a revised voting instruction form in accordance with the directions on the form.

How can I request electronic delivery of investor materials?

To opt for electronic distribution of investor materials, complete the request for electronic delivery of materials form enclosed with the Notice Package and return it by mail to AST Trust Company (Canada), P.O. Box 700, Station B, Montreal, Quebec, H3B 3K3; or by fax at (514) 985-8843 or 1-888-249-6189. You can also submit your request online by visiting AST Trust Company (Canada)'s website: <https://ca.astfinancial.com/edelivery>.

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

The persons named on the form of proxy must vote your shares for or against or withhold from voting, in accordance with your directions, or you can let your proxyholder decide for you. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. In the absence of voting directions, proxies received by management will be voted in favour of all resolutions and against the shareholder proposals put before shareholders of the meeting. See "Business of the Meeting" on page 7 of this Circular for further information.

What if amendments are made to these matters or if other matters are brought before the meeting?

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

As at the date of this Circular, management of Brookfield is not aware of any 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.

Who counts the votes?

Brookfield's transfer agent, AST Trust Company (Canada), counts and tabulates the proxies.

How do I contact the transfer agent?

For general shareholder enquiries, you can contact AST Trust Company (Canada) as follows:

Mail

AST Trust Company (Canada)
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

Telephone/Fax

Tel: (416) 682-3860
within Canada and the United States toll
free at 1-800-387-0825
Fax: 1-888-249-6189 or (514) 985-8843

Online

Email: inquiries@astfinancial.com
Website: www.astfinancial.com/ca-en

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

In many cases, Class A Shares that are beneficially owned by a non-registered shareholder are registered either:

- a. in the name of an Intermediary or a trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- b. in the name of a depository such as CDS Clearing and Depository Services Inc. ("CDS") or the Depository Trust Company ("DTC"), which the Intermediary is a participant of.

Your Intermediary is required to send you a voting instruction form for the number of shares you beneficially own.

Since Brookfield has limited access to the names of its non-registered shareholders, if you attend the meeting Brookfield 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 therein. Do not otherwise complete the form as your vote will be taken at the meeting. Then when you arrive at the meeting, please register with AST Trust Company (Canada).

The Corporation has distributed copies of the Notice Package to CDS and DTC and to Intermediaries for onward distribution to non-registered shareholders. Intermediaries are required to forward the Notice Package to non-registered shareholders.

Non-registered shareholders who have not opted for electronic delivery will receive a voting instruction form to permit them to direct the voting of the shares they beneficially own.

A non-registered shareholder who does not wish to attend and vote at the meeting in person must complete and sign the voting instruction form and return it in accordance with the directions on the form. If a non-registered shareholder does wish to attend and vote at the meeting in person (or have another person attend and vote on his or her behalf), the non-registered shareholder must complete, sign and return the voting instruction form in accordance with the directions on the form.

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

Principal Holders of Voting Shares

Partners Limited owns directly 100% of the 85,120 outstanding Class B Shares, which entitles the holder thereof to, among other things, elect one-half of the directors of the Corporation. The shareholders of Partners Limited, directly and indirectly, consist of current senior executives and directors of the Corporation and its affiliates as well as a limited number of former senior executives (each, a “Partner” and collectively, the “Partners”). The Partners collectively own, directly or indirectly, exercise control or direction over, have contractual arrangements such as options to acquire, or otherwise hold beneficial or economic ownership interests in, approximately 200 million Class A Shares in the aggregate, representing approximately 20% of such class of shares on a fully diluted basis and a 20% common equity interest in the Corporation.

This 20% economic ownership interest in the Corporation includes Class A Shares held directly and indirectly by the Partners as well as their proportionate beneficial interests in Class A Shares held by: (i) Partners Limited; and (ii) Partners Value Investments Inc. and Partners Value Split Corp., both wholly-owned subsidiaries of Partners Value Investments LP (“PVI”, and together with its subsidiaries, “PVI (on a consolidated basis)”). In addition to its 100% interest in the Class B Shares, Partners Limited also owns, among other things, a direct interest in 867,495 Class A Shares, representing an approximate 0.1% interest in this class of shares, and an approximate 49% interest in the limited partnership units of PVI, a limited partnership listed on the TSX Venture Exchange (in addition to a 49% interest in the general partner of PVI; the remaining 51% general partnership interest is held equally among six individual Partners). PVI’s primary business purpose is to provide its unitholders with an efficiently financed ownership interest in Class A Shares. The Partners themselves collectively own, on an individual basis, an additional approximate 40% limited partnership interest in PVI. PVI owns approximately 85.8 million Class A Shares on a consolidated basis, representing an approximate 9% interest in this class of shares.

To the knowledge of the directors and officers of the Corporation, Partners Limited is the only person or corporation that beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the votes attached to any class of outstanding voting securities of the Corporation.

About Partners Limited

Partners Limited is an Ontario corporation that was formed in 1995 and whose principal business mandate is to hold shares of the Corporation, directly or indirectly, for the long term. As at April 29, 2019, there were 38 Partners, and they collectively own, directly or indirectly, the common shares of Partners Limited. The following individuals, who are each direct or indirect shareholders of Partners Limited, are also current directors of the Corporation or named executive officers, as defined by applicable securities laws (“Named Executive Officers”), of the Corporation for 2018: Jeffrey M. Blidner, Jack L. Cockwell, J. Bruce Flatt, Brian D. Lawson, Brian W. Kingston, Cyrus Madon and Samuel J.B. Pollock (see “Compensation Discussion and Analysis” on page 45 of this Circular for further information on “Named Executive Officers”). Additionally, Messrs. Cockwell, Kingston, Lawson, Madon and Pollock are directors of Partners Limited.

Partners Limited’s operations are governed by a shareholders’ agreement (the “Partners Shareholders Agreement”) to which each shareholder of Partners Limited (each, a “Partners Shareholder”), and each Partner, is a party. Certain decisions of Partners Limited require the approval of a majority of the Partners (irrespective of shares held) and other decisions require the approval of a majority or supermajority of shares held by the Partners Shareholders. Specifically, Partners Shareholders holding two-thirds of the shares of Partners Limited can at any time require a Partners Shareholder to sell his, her or its shares. The Partners Shareholders Agreement also provides that: (i) unless otherwise approved by holders of at least two-thirds of the common shares of Partners Limited, any sale of an interest in Partners Limited will only be made to other Partners Shareholders; (ii) any changes to Partners Limited’s by-laws, election of directors, dividend policy, principal investments, the issue or redemption of shares or admission of other individuals as Partners Shareholders require the approval of those holding at least two-thirds of Partners Limited’s common shares; and (iii) Partners Limited will offer to purchase 5% of its outstanding shares annually based on the stock market price of the Class A Shares, subject to Partners Limited’s financial capability at the time. An important business objective of Partners Limited, as expressed through the Partners Shareholders Agreement, is to ensure orderly succession of ownership, including Partners Limited’s direct and indirect ownership in shares of the Corporation.

For estate planning and other reasons, many of the Partners hold their interests in Partners Limited through holding entities on an individual or joint basis. One such holding entity (“Partners Holdings”) was the original sponsor of Partners Limited and is owned, directly and indirectly, by Jack L. Cockwell, J. Bruce Flatt and Timothy R. Price, all long-serving executives or former executives of the Corporation. Although Partners Holdings itself owns a majority interest in Partners Limited, none of the shareholders of Partners Holdings nor any other Partners own, on a look-through, proportionate basis, 50% or more of Partners Limited. The shareholders of Partners Holdings, as well as Partners Holdings itself, are signatories to the Partners Shareholders Agreement and are all therefore bound by its terms. Irrespective of Partners Holdings’ ownership percentage in Partners Limited and any arrangements between the shareholders of Partners Holdings, the Partners have the contractual ability to exercise control over material decisions of Partners Limited.

Partners Limited is a party to a Trust Agreement with Montreal Trust Company of Canada (now operating as Computershare Trust Company of Canada) as trustee for the holders of Class A Shares, dated August 1, 1997 (the “Trust Agreement”). The Trust Agreement provides, among other things, that Partners Limited has agreed not to sell any Class B Shares, directly or indirectly, pursuant to a takeover bid at a price per share in excess of 115% of the market price of the Class A Shares or as part of a transaction involving purchases made from more than five persons or companies in the aggregate, unless a concurrent offer is made to all holders of Class A Shares. The concurrent offer must be: (i) for the same percentage of Class A Shares as the percentage of Class B Shares offered to be purchased from Partners Limited; (ii) at a price per share at least as high as the highest price per share paid pursuant to the takeover bid for the Class B Shares; and (iii) on the same terms in all material respects as the offer for the Class B Shares. These provisions in the Trust Agreement also apply to any sale of shares in Partners Limited if such a sale would be deemed an indirect offer for the Class B Shares under the takeover bid provisions of the *Securities Act* (Ontario). Additionally, Partners Limited has agreed to use its best efforts to prevent any person or company, including a Partners Shareholder, from carrying out a direct or indirect sale of Class B Shares in contravention of the Trust Agreement.

PART TWO – BUSINESS OF THE MEETING

We will address five items at the meeting:

1. Receiving the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018, including the external auditor’s report thereon;
2. Electing directors who will serve until the end of the next annual meeting of shareholders;
3. Appointing the external auditor that will serve until the end of the next annual meeting of shareholders and authorizing the directors to set its remuneration;
4. Considering an advisory resolution on the Corporation’s approach to executive compensation;
5. Considering a resolution approving the adoption of a new management share option plan; and
6. Considering two shareholder proposals, as more particularly described herein.

We will also consider other business that may properly come before the meeting.

As at the date of this Circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the meeting. If there are changes or new items, you or your proxyholder can vote your shares on these items as you, he or she sees fit. The persons named on the form of proxy will have discretionary authority with respect to any changes or new items which may properly come before the meeting and will vote on them in accordance with their best judgment.

1. Receiving the Consolidated Financial Statements

The annual financial statements of the Corporation for the fiscal year ended December 31, 2018 are included in the Annual Report. The Annual Report is available on the Corporation’s website, <https://bam.brookfield.com> under “Notice and Access 2019” and on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar, and is being mailed to the Corporation’s registered shareholders and non-registered shareholders who have contacted the Corporation to request a paper copy of the Annual Report. Shareholders who have signed up for electronic delivery of the Annual Report will receive it by email.

2. Election of Directors

The Board is comprised of 16 members, all of whom are to be elected at the meeting. Holders of Class A Shares are entitled, as a class, to elect one-half of the Board, and holders of Class B Shares are entitled, as a class, to elect the other one-half of the Board.

If you own Class A Shares, you can vote on the election of eight directors. The following persons are proposed as nominees for election by the holders of Class A Shares:

• M. Elyse Allan	• Maureen Kempston Darkes	• Frank J. McKenna	• Seek Ngee Huat
• Angela F. Braly	• Murilo Ferreira	• Rafael Miranda	• Diana L. Taylor

If you own Class B Shares, you can vote on the election of eight directors. The following persons are proposed as nominees for election by the holders of Class B Shares:

• Marcel R. Coutu	• Jeffrey M. Blidner	• J. Bruce Flatt	• Brian D. Lawson
• Lord O’Donnell	• Jack L. Cockwell	• Robert J. Harding	• Timothy R. Price

Majority Voting Policy

The Board has adopted a policy stipulating that, if the total number of shares voted in favour of the election of a director nominee represents less than a majority of the total shares voted and withheld for that director (in each case, not on the cumulative basis described in the section “Cumulative Voting for Directors” on page 8 of this Circular), the nominee will tender his or her resignation immediately after the meeting. Within 90 days of the meeting, the Board will determine whether or not to accept a director’s resignation and will issue a press release announcing the Board’s decision, a copy of which will be provided to the TSX. Absent exceptional circumstances, the Board will accept the resignation. The resignation will be effective when accepted by the Board. If the Board determines not to accept a resignation, the press release will fully state the reasons for that decision. A director who tenders his or her resignation will not participate in a Board meeting at which the resignation is considered. The majority voting policy does not apply in circumstances involving contested director elections.

Cumulative Voting for Directors

The articles of the Corporation provide for cumulative voting in the election of directors. Each shareholder of a class or series of shares of the Corporation entitled to vote for the election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the holder, multiplied by the number of directors to be elected by the shareholder and the holders of shares of the classes or series of shares entitled to vote with the shareholder in the election of directors. The shareholder may cast all of its votes in favour of one candidate or distribute such votes among the candidates in any manner the shareholder sees fit. Where the shareholder has voted for more than one candidate without specifying the distribution of votes among the candidates, the shareholder will be deemed to have distributed its votes equally among the candidates for whom the shareholder voted.

A shareholder who wishes to distribute its votes other than equally among the nominees and who has appointed the management representatives designated on the proxy must do so personally at the meeting or by another proper form of proxy, which can be obtained from the Corporate Secretary of Brookfield.

Voting by Proxy

The management representatives designated on the proxy to be completed by holders of Class A Shares intend to cast the votes represented by such proxy FOR and equally among the proposed nominees for election by the holders of Class A Shares as set forth on pages 9 to 12 of this Circular, unless the shareholder who has given such proxy has directed that such shares be otherwise voted or withheld from voting in the election of directors.

The management representatives designated on the proxy to be completed by the holder of Class B Shares intend to cast the votes represented by such proxy FOR and equally among the proposed nominees for election by the holder of Class B Shares as set forth on pages 13 to 16 of this Circular.

Director Nominees

The Board recommends that the 16 director nominees be elected at the meeting to serve as directors of the Corporation until the next annual meeting of shareholders or until their successors are elected or appointed.


The Board believes that the collective qualifications, skills and experiences of the director nominees allow for Brookfield to continue to maintain a well-functioning Board with a diversity of perspectives. The Board's view is that, individually and as a whole, the director nominees have the necessary qualifications to be effective at overseeing the business and strategy of the Corporation.


Fifteen of the director nominees were elected as members of the Board at the Annual and Special Meeting of Shareholders held on June 15, 2018 and are standing for re-election. Mr. Timothy Price is standing for election to the Board for the first time. Mr. Youssef Nasr is not standing for re-election to the Board.

We do not expect that any of the director nominees will be unable to serve as a director. If a director nominee tells us before the meeting that he or she will not be able to serve as a director, the management representatives designated on the form of proxy, unless directed to withhold from voting in the election of directors, reserve the right to vote for other director nominees at their discretion.

Each director's biography contains information about the director, including his or her background and experience, Brookfield shareholdings as at April 29, 2019 and other public company board positions held. See "Director Share and DSU Ownership Requirements" on page 44 of this Circular for further information on director share ownership requirements.

The following eight individuals are nominated for election as directors by the holders of the Corporation's Class A Shares.

	<p>Ms. Allan is the former President and Chief Executive Officer of General Electric Canada Company Inc., a digital industrial company, a position she held from 2004 until June 2018, and a former Vice-President of General Electric Co. She currently serves on the Board of Directors for the C.D. Howe Institute and MaRs, and the Board of Overseers at the Tuck School of Business at Dartmouth College. She is also a member of the Advisory Board of Canada's Ecofiscal Commission. Ms. Allan is a former Board member at the Canadian Council of Chief Executives, as well as the Canadian Chamber of Commerce, where she also served as Chair. In 2014, Ms. Allan was appointed Member of the Order of Canada.</p>			
	Brookfield Board/Committee Membership		Public Board Membership During Last Five Years	
<p>M. Elyse Allan, C.M. ^(a) Age: 61 Director since: 2015 (Independent) ^(b)</p> <p>Areas of Expertise: CEO experience Governance Government and public policy Growth initiatives Industry sectors – business services, energy, industrials, technology</p>	Board		Brookfield Asset Management Inc.	2015 – Present
	Audit Committee			
Risk Management Committee				
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	1,800	15,815	17,615	Met
2018	1,800	10,631		
Change	—	5,184		

	<p>Ms. Braly is the former Chair of the Board, President and Chief Executive Officer of WellPoint, Inc. (“WellPoint”), a health benefits company now known as Anthem, Inc. She was Chair of the Board of WellPoint from 2010 to 2012 and President and Chief Executive Officer and a Board member from 2007 to 2012. Prior to that, Ms. Braly served as Executive Vice President, General Counsel and Chief Public Affairs Officer of WellPoint and President and Chief Executive Officer of Blue Cross Blue Shield of Missouri.</p>			
	Brookfield Board/Committee Membership		Public Board Membership During Last Five Years	
<p>Angela F. Braly ^(a) Age: 57 Director since: 2015 (Independent) ^(b)</p> <p>Areas of Expertise: CEO experience Financial expertise Governance Government and public policy Legal expertise Industry sectors – health care</p>	Board		Exxon Mobil Corporation	2016 – Present
	Audit Committee		Brookfield Asset Management Inc.	2015 – Present
		Lowe's Companies, Inc.	2013 – Present	
		The Procter and Gamble Company	2009 – Present	
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	20,528	20,528	Met
2018	—	14,922		
Change	—	5,606		



Maureen Kempston Darkes, O.C., O.Ont. ^(a) ⁽¹⁾
 Age: 70
 Director since: 2008
 (Independent) ^(b)

Areas of Expertise:

CEO experience
 Governance
 Government and public policy
 Growth initiatives
 International experience
 Legal expertise
 Industry sectors – automotive manufacturing, oil and gas, power, rail

Ms. Kempston Darkes is the retired Group Vice-President and President, Latin America, Africa and Middle East of General Motors Corporation, a motor vehicle manufacturer. She was appointed to the Government of Canada’s Science, Technology & Innovation Council in 2013. In 1999, Ms. Kempston Darkes was appointed an Officer of the Order of Canada.

Brookfield Board/Committee Membership	Public Board Membership During Last Five Years	
Board Management Resources and Compensation Committee Risk Management Committee, <i>Chair</i>	Schlumberger Limited Enbridge Inc. Brookfield Asset Management Inc. Canadian National Railway Company Balfour Beatty plc	2014 – Present 2010 – Present 2008 – Present 1995 – Present 2012 – 2017

Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	56,188	56,188	Met
2018	—	52,848		
Change	—	3,340		



Murilo Ferreira ^(a)
 Age: 65
 Director since: 2017
 (Independent) ^(b)

Areas of Expertise:

CEO experience
 Financial expertise
 International experience
 Industry sectors – metals and mining

Mr. Ferreira is a Brazilian business executive who is the former Chief Executive Officer of Vale S.A. (“Vale”), a Brazilian multinational corporation engaged in metals and mining and the largest producer of iron ore and nickel in the world. Mr. Ferreira held this position from 2011 to 2017. Mr. Ferreira began his professional career at Vale in 1977 and was formerly the Chief Executive Officer of Vale Inco, Vale’s Canadian operations.

Brookfield Board/Committee Membership	Public Board Membership During Last Five Years	
Board Risk Management Committee	Brookfield Asset Management Inc. Petroleo Brasileiro SA	2017 – Present 2015 – 2016

Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	8,730	8,730	June 16, 2022
2018	—	3,530		
Change	—	5,200		



Frank J. McKenna,
P.C., O.C., O.N.B. ^(a)
Age: 71
Director since: 2006
(Independent) ^(b)

Areas of Expertise:

Governance
Government and public policy
International experience
Legal expertise
Industry sectors – energy, financial services, power, real estate

Mr. McKenna is Chair of the Board of the Corporation, a position he has held since August 2010. Mr. McKenna is also Deputy Chair, TD Bank Group, a financial institution, a position he has held since 2006. Mr. McKenna is a former Ambassador of Canada to the U.S.A. and was elected as Premier of the Province of New Brunswick from 1987 until 1997.

Brookfield Board/Committee Membership	Public Board Membership During Last Five Years	
Board, <i>Chair</i> Governance and Nominating Committee, <i>Chair</i>	Brookfield Asset Management Inc. Canadian Natural Resources Limited	2006 – Present 2006 – Present

Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed

Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	174,088	174,088	Met
2018	—	159,756		
Change	—	14,332		



Rafael Miranda ^(a)
Age: 69
Director since: 2017
(Independent) ^(b)

Areas of Expertise:

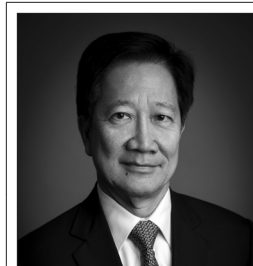
CEO experience
Financial expertise
Governance
Government and public policy
Growth Initiatives
International experience
Industry sectors – infrastructure, power

Mr. Miranda is the retired Chief Executive Officer of Endesa, S.A., the largest electric utility company in Spain, where he served as Managing Director and as Chief Executive Officer from 1987 to 1997 and 2009, respectively. Mr. Miranda is Honorary Chairman of Eurelectric, the European Electricity Association, and serves as the Chairman of the Board of Directors of Acerinox, S.A., a Spanish stainless steel manufacturing conglomerate, and Hispania Activos Inmobiliarios, S.A., a publicly listed Real Estate Investment Trust. Mr. Miranda previously served on the Board of Directors of Brookfield Infrastructure Partners L.P. from 2013 to 2017.

Brookfield Board/Committee Membership	Public Board Membership During Last Five Years	
Board Audit Committee	Brookfield Asset Management Inc. Acerinox, S.A. Hispania Activos Inmobiliarios, S.A. Brookfield Infrastructure Partners L.P.	2017 – Present 2014 – Present 2014 – Present 2013 – 2017

Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed

Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	8,730	8,730	June 16, 2022
2018	—	3,530		
Change	—	5,200		

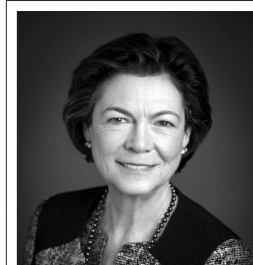


N.H. Seek was formerly President of GIC Real Estate Pte Ltd. and a Board member of GIC Pte Ltd. He was the Chairman of Global Logistic Properties Ltd. until its privatisation in January 2018, and since September 2018 has served as Chairman of GLP IM Holdings Limited. He is currently Chairman of the National University of Singapore Institute of Real Estate and Urban Studies and Practice Professor, a Board member of VCredit Holdings Limited, a Senior Advisor to Frasers Property Ltd. and the Canada Pension Plan Investment Board and an Advisory Board Member of the Centre of Liveable Cities, Singapore.

Seek Ngee Huat ^(a)
Age: 69
Director since: 2012
(Independent) ^(b)

Areas of Expertise:
Financial expertise
Governance
Growth initiatives
Management development
International experience
Industry sectors – real estate, investment management

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		VCredit Holdings Limited		2018 – Present
Governance and Nominating Committee		Brookfield Asset Management Inc.		2012 – Present
		Global Logistic Properties Ltd.		2010 – 2018
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	10,000	34,855	44,855	Met
2018	10,000	29,281		
Change	—	5,574		



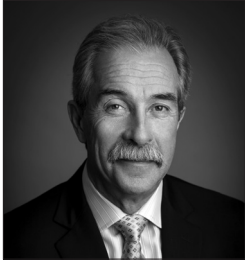
Ms. Taylor has worked in private equity with Wolfensohn & Co. and Solera Capital LLC. She previously served as the Superintendent of Banks for the State of New York, Deputy Secretary to the Governor of New York and Chief Financial Officer for the Long Island Power Authority.


Diana L. Taylor ^{(a), (m)}
Age: 64
Director since: 2012
(Independent) ^(b)

Areas of Expertise:
Financial expertise
Governance
Government and public policy
Growth initiatives
Industry sectors – real estate

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		Brookfield Asset Management Inc.		2012 – Present
Governance and Nominating Committee		Citigroup Inc.		2009 – Present
Management Resources and Compensation Committee, <i>Chair</i>		Sotheby's		2007 – Present
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
2019	—	37,578	37,578	Met
2018	—	31,965		
Change	—	5,613		

The following eight individuals are nominated for election as directors by the holders of the Corporation's Class B Shares.

 <p>Marcel R. Coutu ^(a) Age: 65 Director since: 2006 (Independent) ^(b)</p> <p>Areas of Expertise: CEO experience Financial expertise Government and public policy Growth initiatives Industry sectors – energy, finance, oil and gas, power</p>	Mr. Coutu is the past Chairman of Syncrude Canada Ltd., an integrated oil sands project, and a former President and Chief Executive Officer of Canadian Oil Sands Limited, the largest investor in the Syncrude Joint Venture. In addition to various other public board memberships, Mr. Coutu is currently a director of the Calgary Exhibition & Stampede Board.				
	Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
	Board Audit Committee, <i>Chair</i> Management Resources and Compensation Committee	Enbridge Inc. IGM Financial Inc. Power Corporation of Canada The Great-West Lifeco Inc. Brookfield Asset Management Inc.	2014 – Present 2014 – Present 2011 – Present 2007 – Present 2006 – Present		
	Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
	Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
	2019	69,730	53,049	122,779	Met
	2018	69,730	46,390		
	Change	—	6,659		

 <p>Lord O'Donnell ^(a) Age: 66 Director since: 2013 (Affiliated) ^(c)</p> <p>Areas of Expertise: Financial expertise Governance Government and public policy International experience Industry sectors – financial services</p>	Lord O'Donnell is currently the Chairman of Frontier Economics Ltd., a microeconomics consultancy, and a senior advisor to the Corporation in Europe. He served as the Cabinet Secretary and head of the British Civil Service between 2005 and 2011. Prior to this, Lord O'Donnell served as the Permanent Secretary of the UK Treasury from 2002 to 2005. Lord O'Donnell became a member of the House of Lords in 2012.				
	Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
	Board	Brookfield Asset Management Inc.	2013 – Present		
	Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
	Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(c)
	2019	33,971	31,278	65,249	Met
	2018	33,971	25,755		
	Change	—	5,523		

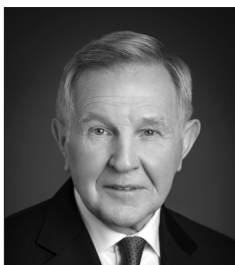


Jeffrey M. Blidner ^(a)
 Age: 71
 Director since: 2013
 (Affiliated and
 Management) ^{(c)(d)}

Areas of Expertise:
 Growth initiatives
 Governance
 Legal expertise
 International experience
 Strategic planning
 acumen
 Industry sectors –
 infrastructure, power,
 private equity, property

Mr. Blidner is Vice Chairman of the Corporation. Mr. Blidner is also the Chief Executive Officer of Brookfield's Private Funds Group, Chair of Brookfield Business Partners L.P. and Brookfield Renewable Partners L.P. Before joining Brookfield in 2000, Mr. Blidner was a senior partner at a Canadian law firm.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		Brookfield Property REIT Inc.	2018 – Present	
		Brookfield Business Partners L.P.	2015 – Present	
		Brookfield Asset Management Inc.	2013 – Present	
		Brookfield Property Partners L.P.	2013 – Present	
		Brookfield Renewable Partners L.P.	2011 – Present	
		Brookfield Infrastructure Partners L.P.	2008 – Present	
		Rouse Properties, Inc.	2012 – 2016	
Number of Class A Shares, Deferred Share Units (DSUs), Restricted Share Units (RSUs) and Options Beneficially Owned, Controlled or Directed				
Year	Class A Shares ^{(f)(g)}	DSUs, RSUs and Options	Total Number of Shares, DSUs, RSUs and Options	Date at which Share Ownership Guideline is to be Met ^(e)
2019	7,537,255	2,453,486	9,990,741	Met
2018	7,381,069	2,432,843		
Change	156,186	20,643		



**Jack L. Cockwell,
 C.M.** ^{(a)(n)}
 Age: 78
 Director since: 1979
 (Affiliated) ^(c)

Areas of Expertise:
 CEO experience
 Growth initiatives
 Financial expertise
 International experience
 Industry sectors –
 infrastructure, power,
 property

Mr. Cockwell is Chairman of Brookfield Partners Foundation, was one of the founders of Partners Limited in 1995, and has been associated with the Corporation in numerous capacities including as Chief Executive Officer, since 1968. Mr. Cockwell is a Heritage Governor of the Royal Ontario Museum, Chair of the Ryerson University Real Estate Advisory Committee, and a member of its Board of Governors.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		Norbord Inc.	1987 – Present	
		Brookfield Asset Management Inc.	1979 – Present	
		Teck Resources Limited	2009 – 2017	
		Brookfield Office Properties Inc.	1999 – 2014	
Number of Class A Shares, Deferred Share Units (DSUs), Restricted Share Units (RSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares ^{(f)(h)}	DSUs, RSUs	Total Number of Shares, DSUs, RSUs	Date at which Share Ownership Guideline is to be Met ^(e)
2019	26,241,130	1,784,455	28,025,585	Met
2018	27,080,359	1,774,175		
Change	(839,229)	10,279		



J. Bruce Flatt ^(a)
 Age: 53
 Director since: 2001
 (Affiliated and
 Management) ^{(c)(d)}

Areas of Expertise:
 CEO experience
 Financial expertise
 Industry sectors –
 infrastructure, power,
 private equity, property

Mr. Flatt is the Chief Executive Officer of the Corporation. Mr. Flatt joined the Corporation in 1990 and became Chief Executive Officer in 2002. Mr. Flatt has been on more than 20 public company boards over the past three decades and does not currently sit on any external corporate boards.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		Brookfield Asset Management Inc. GGP Inc.	2001 – Present 2010 – 2018	
Number of Class A Shares, Deferred Share Units (DSUs), Restricted Share Units (RSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares ^{(f)(i)}	DSUs, RSUs	Total Number of Shares, DSUs, RSUs	Date at which Share Ownership Guideline is to be Met ^(e)
2019	40,036,772	2,615,991	42,652,763	Met
2018	40,056,510	2,602,521		
Change	(19,738)	13,470		



Robert J. Harding,
C.M., F.C.A. ^{(a)(e)}
 Age: 61
 Director since: 1992
 (Affiliated) ^(c)

Areas of Expertise:
 Governance
 Financial expertise
 Government and public
 policy
 Industry sectors –
 financial services,
 infrastructure, power,
 resources

Mr. Harding served as Non-Executive Chair of the Corporation from 1997 to 2010. Mr. Harding is currently the President of the Art Gallery of Ontario's Board of Trustees. Mr. Harding was the Chairman of NexJ Systems Inc. from 2006 to 2014, and is the former Chair of the Board of Trustees of the Hospital for Sick Children.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		First Quantum Minerals Ltd. Brookfield Asset Management Inc. Norbord Inc.	2013 – Present 1992 – Present 1998 – 2015	
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares	DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met ^(e)
2019	1,000,002	642,973	1,642,975	Met
2018	1,081,200	633,805		
Change	(81,198)	9,168		



Brian D. Lawson ^(a)
 Age: 59
 Director since: 2018
 (Affiliated and
 Management) ^{(c)(d)}

Areas of Expertise:
 CFO experience
 Financial expertise
 Growth initiatives
 Industry sectors –
 infrastructure, power,
 private equity, property

Mr. Lawson is the Chief Financial Officer of the Corporation and is responsible for the Corporation's global finance, treasury and risk management functions. On behalf of the Corporation, Mr. Lawson serves as the Chair of the Board of Directors of TerraForm Power, Inc., a U.S.-based solar and wind power company. Mr. Lawson is a member of the Governing Council of the University of Toronto. Mr. Lawson joined Brookfield in 1988 and held a number of senior management positions in Brookfield's investment and finance operations before becoming Chief Financial Officer in 2002.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
Board		Brookfield Asset Management Inc. Global Resource Champions Split Corp. TerraForm Power, Inc. Partners Value Investments LP Partners Value Split Corp.	2018 – Present 2018 – Present 2017 – Present 2016 – Present 2001 – Present	
Number of Class A Shares, Deferred Share Units (DSUs), Restricted Share Units (RSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares ^{(f)(i)}	DSUs, RSUs	Total Number of Shares, DSUs, RSUs	Date at which Share Ownership Guideline is to be Met ^(e)
2019	11,078,937	2,486,528	13,565,465	Met
2018	10,843,753	2,462,341		
Change	235,184	24,187		



Timothy R. Price ^(a)
 Age: 76
 New Director Nominee
 (Affiliated) ^(c)

Areas of Expertise:
 Financial expertise
 Governance
 Growth initiatives
 Industry sectors –
 infrastructure, power,
 private equity, property

Mr. Price is a director of Partners Limited and Brookfield Partners Foundation. He is a director and Chairman of The Royal Conservatory of Music and also serves on the boards of Fairfax Financial Holdings Limited, York University Development Corporation, St. Michael's Hospital Foundation and the Shaw Festival. Mr. Price was formerly Chairman of Q9 Networks Inc. and the York University Foundation, a trustee of Morguard REIT, a director of HSBC Bank Canada, Canadian Tire Corporation, Brookfield Homes Corporation Inc., Brookfield Residential Properties Inc. and Astral Media Inc. and a Governor of York University.

Brookfield Board/Committee Membership		Public Board Membership During Last Five Years		
N/A		Fairfax Financial Holdings Limited Brookfield Residential Properties Inc. Canadian Tire Corporation, Limited HSBC Bank Canada	2010 – Present 2011 – 2015 2007 – 2018 2007 – 2015	
Number of Class A Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed				
Year	Class A Shares ^{(f)(k)}	DSUs	Total Number of Shares, DSUs	Date at which Share Ownership Guideline is to be Met ^(e)
2019	10,129,351	310,448	10,439,799	Met
2018	8,837,266	306,022		
Change	1,292,085	4,426		

Note:

- (a) *Elyse Allan, Jeffrey Blidner, Jack Cockwell, Robert Harding, Brian Lawson and Timothy Price principally live in Ontario, Canada. Angela Braly principally lives in Indiana, U.S.A. Murilo Ferreira principally lives in Rio de Janeiro, Brazil. Frank McKenna principally lives in Ontario, Canada and New Brunswick, Canada. Rafael Miranda principally lives in Madrid, Spain. Seek Ngee Huat principally lives in Singapore. Diana Taylor principally lives in New York, U.S.A. Bruce Flatt principally lives in London, United Kingdom, New York, U.S.A., and Ontario, Canada. Marcel Coutu principally lives in Alberta, Canada. Maureen Kempston Darkes principally lives in Florida, U.S.A. and Ontario, Canada. Lord O'Donnell principally lives in London, United Kingdom.*
- (b) *"Independent" refers to the Board's determination of whether a director nominee is "independent" under Section 1.2 of National Instrument 58-101 — Disclosure of Corporate Governance Practices.*
- (c) *"Affiliated" refers to a director nominee who (i) owns greater than a de minimis interest in the Corporation (exclusive of any securities compensation earned as a director) or (ii) within the last two years has directly or indirectly (a) been an officer of or employed by the Corporation or any of its affiliates, (b) performed more than a de minimis amount of services for the Corporation or any of its affiliates, or (c) had any material business or professional relationship with the Corporation other than as a director of the Corporation. "de minimis" for the purpose of this test includes factors such as the relevance of a director's interest in the Corporation to themselves and to the Corporation.*
- (d) *"Management" refers to director nominees who are current members of management of the Corporation. Mr. Flatt is the Chief Executive Officer of the Corporation, Mr. Lawson is the Chief Financial Officer of the Corporation and Mr. Blidner is the Vice Chairman of the Corporation. Messrs. Blidner, Flatt and Lawson will not receive compensation in their capacity as directors of the Corporation in 2018 (see "Director Compensation" on page 41 of this Circular). All director nominees who are also current members of management are, by definition, "Affiliated."*
- (e) *The Share Ownership Guideline for directors is to hold Class A Shares, DSUs (as defined on page 27 of this Circular) or Restricted Shares (as defined on page 53 of this Circular) with a value equal to three times their annual director's retainer. See "Director Share and DSU Ownership Requirements" on page 44 of this Circular for further information. The value of three times the annual retainer for each non-management director and for the Chair is \$600,000 and \$1,500,000, respectively. As of April 29, 2019, the number of units required to satisfy the non-management director and Chair Share Ownership Guideline is 12,474 and 311,185, respectively (calculated by dividing the respective Share Ownership Guideline expressed in dollar value by the price of Class A Shares on the NYSE as at the close of market on April 29, 2019). As Executive Officers (as defined on page 45 of this Circular) of the Corporation, Messrs. Flatt, Lawson and Blidner are each required to hold Class A Shares, DSUs or Restricted Shares with a value equal to five times their annual base salary ("Base Salary"). See "Share Ownership Guidelines" on page 55 of this Circular for further information. The value of five times the Base Salary for Messrs. Flatt, Lawson and Blidner is \$3.75 million, \$2.32 million and \$2.32 million, respectively, converted at the average exchange rate for 2018 of C\$1.00 = US\$0.7718. As of April 29, 2019, the number of units required to satisfy the Share Ownership Guideline for Messrs. Flatt, Lawson, and Blidner is 77,963, 48,137, and 48,137 respectively (calculated by dividing the Share Ownership Guideline expressed in dollar value by the price of Class A Shares on the NYSE as at the close of market on April 29, 2019).*
- (f) *The figures in this column include (i) the director's Class A Shares, held directly and indirectly, including under the Restricted Stock Plan; (ii) the director's pro rata interests in Class A Shares held by Partners Limited and PVI (on a consolidated basis); and (iii) the director's Escrowed Shares (as defined on page 53 of this Circular), which also represent an indirect pro rata interest in Class A Shares. The value of these indirect pro rata interests is impacted by a number of factors including the terms of their ownership, the capital structure of each company, the value of the Class A Shares held by each company and their net liabilities and preferred share obligations. (See "Principal Holders of Voting Shares" on page 5 of this Circular for further information on Partners Limited and PVI and "The Escrowed Stock Plan" on page 66 of this Circular for further information on Escrowed Shares). Partners Limited also owns 85,120 Class B Shares, but any indirect pro rata interest in those shares has been disregarded as de minimis.*
- (g) *Mr. Blidner holds 2,051,528 Class A Shares directly and indirectly as of the date of this Circular, and held 2,179,332 Class A Shares directly and indirectly as of the date of last year's Circular, which in each case excludes his pro rata interests held in Class A Shares referenced above in clause (ii) and (iii) of (f).*
- (h) *Mr. Cockwell holds 14,870,231 Class A Shares directly and indirectly as of the date of this Circular, and held 15,970,231 Class A Shares directly and indirectly as of the date of last year's Circular, which in each case excludes his pro rata interests held in Class A Shares referenced above in clause (ii) and (iii) of (f).*
- (i) *Mr. Flatt holds 7,515,323 Class A Shares directly and indirectly as of the date of this Circular, and held 8,425,081 Class A Shares directly and indirectly as of the date of last year's Circular, which in each case excludes his pro rata interests held in Class A Shares referenced above in clause (ii) and (iii) of (f).*
- (j) *Mr. Lawson holds 2,917,513 Class A Shares directly and indirectly as of the date of this Circular, and held 3,078,317 Class A Shares directly and indirectly as of the date of last year's Circular, which in each case excludes his pro rata interests held in Class A Shares referenced above in clause (ii) and (iii) of (f).*
- (k) *Mr. Price holds 3,771,794 Class A Shares directly and indirectly as of the date of this Circular, and held 4,461,794 Class A Shares directly and indirectly as of the date of last year's Circular, which in each case excludes his pro rata interests held in Class A Shares referenced above in clause (ii) and (iii) of (f).*
- (l) *Ms. Kempston Darkes was Group Vice-President and President, Latin America, Africa and Middle East, General Motors Corporation when the company filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in June 2009.*
- (m) *Ms. Taylor served as Vice Chair of Solera Capital LLC when its subsidiary, Calypso St. Barth, filed for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code on November 29, 2017.*
- (n) *Mr. Cockwell was a director of Fraser Papers Inc. ("Fraser") until April 2009. Fraser voluntarily applied and obtained an order for creditor protection under the Companies' Creditors Arrangement Act (Canada) (the "CCAA") in June 2009, and on February 10, 2011, an Ontario court sanctioned an amended plan of compromise and arrangement under that statute that provided for, among other things, the sale of most of Fraser's remaining property and the making of distributions to Fraser's creditors.*
- (o) *Mr. Harding was a director of Fraser until April 2009. Fraser voluntarily applied and obtained an order for creditor protection under the CCAA in June 2009, and on February 10, 2011, an Ontario court sanctioned an amended plan of compromise and arrangement under that statute that provided for, among other things, the sale of most of Fraser's remaining property and the making of distributions to Fraser's creditors.*

Summary of 2019 Nominees for Director

The following summarizes the qualifications of the 2019 director nominees that led the Board to conclude that each director nominee is qualified to serve on the Board.

ALL DIRECTOR NOMINEES EXHIBIT:

- High personal and professional integrity and ethics
- A proven record of success
- Experience relevant to Brookfield's global activities
- A commitment to sustainability and social issues
- An inquisitive and objective perspective
- An appreciation of the value of good corporate governance

The Board is comprised of 16 directors, which the Corporation considers an appropriate number given the diversity of its operations and the need for a variety of experiences and backgrounds to effectively oversee the governance of the Corporation and provide strategic advice to management. The Corporation reviews the expertise of incumbent and proposed directors in the areas listed in the chart below.

Class A Director Nominees	Business Development	Corporate Governance	Corporate Strategy / M&A	Leadership of a Large / Complex Organization	Risk Management	Legal & Regulatory	Industry Experience
M. Elyse Allan	✓	✓		✓	✓		aviation, healthcare and oil & gas
Angela F. Braly		✓	✓	✓		✓	healthcare and insurance
Maureen Kempston Darkes	✓	✓	✓	✓	✓	✓	automotive manufacturing, oil & gas, power and rail
Murilo Ferreira	✓		✓	✓			alumina refinery, aluminum smelter and mining (iron ore, bauxite, copper, nickel)
Frank J. McKenna	✓	✓				✓	banking, government, manufacturing, oil & gas, pipelines, retail and service industries
Rafael Miranda	✓	✓	✓	✓	✓		industrial companies such as stainless steel, paper, batteries, etc., infrastructure and power
Seek Ngee Huat	✓	✓	✓	✓	✓		investment management
Diana L. Taylor		✓				✓	government and regulatory

Class B Director Nominees	Business Development	Corporate Governance	Corporate Strategy / M&A	Leadership of a Large / Complex Organization	Risk Management	Legal & Regulatory	Industry Experience
Jeffrey M. Blidner	✓	✓	✓		✓	✓	infrastructure, power, private equity, property
Jack L. Cockwell	✓		✓	✓	✓		forestry and mining
Marcel R. Coutu	✓		✓	✓			mining and oil & gas
J. Bruce Flatt	✓		✓	✓	✓		infrastructure, power, private equity, property
Robert J. Harding		✓					mining and oil & gas
Brian D. Lawson	✓		✓	✓	✓		infrastructure, power, private equity, property
Lord O'Donnell				✓	✓	✓	government and regulatory
Timothy R. Price	✓	✓	✓		✓		infrastructure, power, private equity, property

Director Ownership in Publicly Traded Subsidiaries

The following is a description of the securities in publicly traded subsidiaries of the Corporation beneficially owned, directly or indirectly, or controlled by each director nominee:

Class A Director Nominees	No. of Securities			
	Brookfield Business Partners L.P.	Brookfield Infrastructure Partners L.P.	Brookfield Property Partners L.P.	Brookfield Renewable Partners L.P.
M. Elyse Allan				
Angela F. Braly				
Maureen Kempston Darkes				
Murilo Ferreira				
Frank J. McKenna		6,000 LP Units	10,000 LP Units	8,895 LP Units
Rafael Miranda		11,145 LP Units		
Seek Ngee Huat	200 LP Units			
Diana L. Taylor			1,000 LP Units 46,655 Deferred Units	

Class B Director Nominees	No. of Securities			
	Brookfield Business Partners L.P.	Brookfield Infrastructure Partners L.P.	Brookfield Property Partners L.P.	Brookfield Renewable Partners L.P.
Jeffrey M. Blidner	35,189 LP Units	9,549 LP Units	50,316 LP Units	
Jack L. Cockwell ^(a)	325,804 LP Units	104,044 LP Units	657,196 LP Units 332,910 RE LP Units ^(c)	
Marcel R. Coutu	1,394 LP Units	1,755 LP Units	1,800 LP Units	
J. Bruce Flatt ^(b)	246,438 LP Units	194,891 LP Units	545,785 LP Units 128,424 Deferred Units	
Robert J. Harding	21,624 LP Units			
Brian D. Lawson	92,414 LP Units	19,586 LP Units	107,234 LP Units	3,700 LP Units
Lord O'Donnell				
Timothy R. Price ^(d)		251,359 LP Units		

(a) Mr. Cockwell also owns 24,128 common shares of Norbord Inc., a publicly traded affiliate of the Corporation, and 114,400 common shares of Acadian Timber Corp., a publicly traded subsidiary of the Corporation.

(b) Mr. Flatt also owns 500 common shares of Norbord Inc.

(c) Redeemable/exchangeable operating partnership units that are economically equivalent to limited partnership units of Brookfield Property Partners L.P.

(d) Mr. Price also owns 1,000 common shares of Norbord Inc.

2018 Director Attendance

We believe the Board cannot be effective unless it governs actively. We expect our directors to attend all Board meetings and all of their respective committee meetings. Directors may participate by video or teleconference if they are unable to attend in person. The table below shows the number of Board and committee meetings each director attended in 2018. All director nominees attended at least 75% of the Board meetings in 2018, with 14 director nominees attending every Board meeting. The Board and its committees meet in camera without management present at all meetings, including those held by teleconference.

Class A Directors	Independent	All		Board	Audit Committee	Governance and Nominating Committee	Management Resources and Compensation Committee	Risk Management Committee
M. Elyse Allan	yes	21 of 22	95%	9 of 10	8 of 8	—	—	4 of 4
Angela F. Braly	yes	17 of 18	94%	10 of 10	7 of 8	—	—	—
Maureen Kempston Darkes	yes	16 of 16	100%	10 of 10	—	—	2 of 2	4 of 4
Murilo Ferreira ^(a)	yes	12 of 12	100%	10 of 10	—	—	—	2 of 2
Frank J. McKenna	yes	12 of 12	100%	10 of 10	—	2 of 2	—	—
Rafael Miranda ^(b)	yes	14 of 14	100%	10 of 10	4 of 4	—	—	—
Youssef A. Nasr ^(c)	yes	14 of 14	100%	10 of 10	—	—	—	4 of 4
Seek Ngee Huat	yes	12 of 12	100%	10 of 10	—	2 of 2	—	—
Diana L. Taylor	yes	13 of 14	93%	9 of 10	—	2 of 2	2 of 2	—

Class B Directors ^(d)	Independent	All		Board	Audit Committee	Governance and Nominating Committee	Management Resources and Compensation Committee	Risk Management Committee
Jeffrey M. Blidner	no	10 of 10	100%	10 of 10	—	—	—	—
Jack L. Cockwell	no	10 of 10	100%	10 of 10	—	—	—	—
Marcel R. Coutu	yes	20 of 20	100%	10 of 10	8 of 8	—	2 of 2	—
J. Bruce Flatt	no	10 of 10	100%	10 of 10	—	—	—	—
Robert J. Harding	no	10 of 10	100%	10 of 10	—	—	—	—
Brian D. Lawson ^(e)	no	4 of 4	100%	4 of 4	—	—	—	—
Lord O'Donnell	no	10 of 10	100%	10 of 10	—	—	—	—

(a) Mr. Ferreira joined the Risk Management Committee on June 15, 2018 and therefore was only eligible to attend two meetings of the Risk Management Committee in 2018.

(b) Mr. Miranda joined the Audit Committee on June 15, 2018 and therefore was only eligible to attend four meetings of the Audit Committee in 2018.

(c) Mr. Nasr is not standing for re-election at the meeting on June 14, 2019.

(d) Mr. Price is a new director nominee for the June 14, 2019 meeting and did not attend any Board or Committee meetings in 2018 in a director capacity.

(e) Mr. Lawson was first elected as a director on June 15, 2018 and therefore he was only eligible to attend four meetings of the Board in 2018.

2018 Director Voting Results

Below are the results of the vote of holders of Class A Shares for the election of directors at the Corporation's Annual and Special Meeting of Shareholders held on June 15, 2018.

Director Nominee	Votes For	%	Votes Withheld	%
M. Elyse Allan	620,669,437	99.53	2,921,901	0.47
Angela F. Braly	618,805,623	99.23	4,785,715	0.77
Murilo Ferreira	621,694,883	99.70	1,896,455	0.30
Frank J. McKenna	613,481,895	98.38	10,109,443	1.62
Rafael Miranda	616,740,151	98.90	6,851,187	1.10
Youssef A. Nasr ^(a)	621,652,609	99.69	1,938,729	0.31
Seek Ngee Huat	620,307,014	99.47	3,284,324	0.53
Diana L. Taylor	619,962,819	99.42	3,628,519	0.58

^(a) Mr. Nasr is not standing for re-election at the meeting on June 14, 2019.

At the June 15, 2018 meeting of shareholders, the holder of Class B Shares voted all 85,120 Class B Shares for each of the eight directors nominated for election by this shareholder class, namely Jeffrey M. Blidner, Jack L. Cockwell, Marcel R. Coutu, J. Bruce Flatt, Robert J. Harding, Maureen Kempston Darkes, Brian D. Lawson, and Lord O'Donnell.

3. Appointment of External Auditor

On recommendation of the Audit Committee, the Board proposes the reappointment of Deloitte LLP as the external auditor of the Corporation. Deloitte LLP, including the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively, "Deloitte"), is the principal external auditor of the Corporation and its reporting issuer subsidiaries (other than Brookfield Renewable Partners L.P.). Deloitte has served as the external auditor of the Corporation since 1981. The appointment of the external auditor must be approved by a majority of the votes cast by holders of Class A Shares who vote in respect of the resolution, and by the holder of Class B Shares, each voting as a separate class.

On any ballot that may be called for in the appointment of the external auditor, the management representatives designated on the form of proxy intend to vote such shares FOR reappointing Deloitte LLP, an Independent Registered Public Accounting Firm, as the external auditor, and authorizing the directors to set the remuneration to be paid to the external auditor, unless the shareholder has specified on the form of proxy that the shares represented by such proxy are to be withheld from voting in relation to the appointment of the external auditor.

Principal Accounting Firm Fees

Aggregate fees billed to the Corporation and its subsidiaries for the fiscal year ended December 31, 2018 by Deloitte amounted to approximately \$72.5 million, of which \$69.6 million represented audit and audit-related fees. Fees reported for a particular year include differences between actual and planned amounts from the prior year, if applicable.

From time to time, Deloitte also provides consultative and other non-audit services to the Corporation and its subsidiaries and affiliates pursuant to an Audit and Non-Audit Services Pre-Approval Policy (the "Audit Policy"). The Audit Policy governs the provision of audit and non-audit services by the external auditor and is annually reviewed by the Audit Committee. The Audit Policy provides for the Audit Committee's pre-approval of permitted audit, audit-related, tax and other non-audit services. It also specifies a number of services the provision of which is not permitted by the external auditor, including the use of the external auditor for the preparation of financial information, system design and implementation assignments.

The following table sets forth further information on the fees billed by Deloitte to the Corporation and its subsidiaries on a consolidated basis for the fiscal years ended December 31, 2018 and December 31, 2017.

\$ millions	2018			2017 ^(a)		
	Brookfield	Subsidiaries of Brookfield	Total	Brookfield	Subsidiaries of Brookfield	Total
Audit	2.1	30.6	32.7	1.6	21.5	23.1
Audit-related	—	36.9	36.9	—	26.7	26.7
Tax	—	1.9	1.9	—	3.2	3.2
All other fees	—	1.0	1.0	—	0.3	0.3
Total fees	2.1	70.4	72.5	1.6	51.7	53.3

^(a) 2017 figures have been revised for comparability purposes.

Audit fees include fees for services that would normally be provided by the external auditor in connection with statutory and regulatory filings or engagements, including fees for services necessary to perform an audit or review in accordance with generally accepted auditing standards. This category also includes services that generally only the external auditor reasonably can provide, including comfort letters, statutory audits, attest services, consents and assistance with and review of certain documents filed with securities regulatory authorities.

Audit-related fees are for assurance and related services, such as due diligence services, that traditionally are performed by the external auditor. More specifically, these services include, among other things: employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards.

Tax fees are principally for assistance in tax return preparation and tax advisory services. All other fees include fees for translation, litigation and advisory support services.

The Audit Committee has received representations from Deloitte regarding its independence and has considered the relations described above in arriving at its determination that Deloitte is independent of the Corporation.

4. Advisory Resolution on Approach to Executive Compensation

The Corporation believes that its compensation objectives and approach to executive compensation appropriately align the interests of management with the long-term interests of shareholders. Details of the Corporation's approach to executive compensation is disclosed in the "Compensation Discussion and Analysis" beginning on page 45 of this Circular.

The Corporation has a policy providing that holders of Class A Shares have the opportunity to cast an advisory vote on the Corporation's approach to executive compensation on an annual basis. This policy reflects the Corporation's ongoing efforts to meet its objectives and ensure a high level of shareholder engagement.

The Board, with Messrs. Blidner, Lawson and Flatt abstaining, unanimously recommends that holders of Class A Shares vote in favour of the following advisory resolution (the "Say on Pay Resolution"):

Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the holders of Class A Limited Voting Shares accept the approach to executive compensation disclosed in this Circular.

On any ballot that may be called for on the Say on Pay Resolution, the management representatives designated on the form of proxy intend to cast the votes to which the shares represented by such proxy are entitled FOR the Say on Pay Resolution, unless the shareholder has specified in the form of proxy that the shares represented by such proxy are to be voted against the Say on Pay Resolution.

2018 Results of the Advisory Resolution on the Corporation's Approach to Executive Compensation

Below are the results of the vote of holders of Class A Shares on the advisory resolution on the Corporation's Approach to Executive Compensation at the Annual and Special Meeting of Shareholders held on June 15, 2018.

Votes For	%	Votes Against	%
571,708,358	91.67	51,974,997	8.33

Advisory Vote

Because the Say on Pay Resolution is an advisory vote, the results are not binding upon the Board. However, the Board and the Management Resources and Compensation Committee of the Board will take the results of the vote into account when considering future compensation policies, procedures and decisions. The Board welcomes comments and questions on the Corporation's executive compensation practices. Shareholders who wish to contact the Chair or other Board members can do so through the Corporate Secretary of the Corporation.

5. Adoption of a New Management Share Option Plan

The Corporation's use of options to acquire Class A Shares is an important component of its long-term incentive compensation arrangements for executives. The Corporation believes that this practice achieves alignment between executives and shareholder interests and assists in attracting and retaining qualified and motivated senior executives and employees.

The Corporation's 2016 Management Share Option Plan (the "2016 Plan") provides for the issuance of up to 15,000,000 Class A Shares pursuant to the exercise of options granted under the 2016 Plan. As at April 29, 2019, options to acquire 8,588,239 Class A Shares have been granted under the 2016 Plan, leaving 6,405,745 available for further grants. On February 13, 2019, the Board of Directors approved a new Management Share Option Plan (the "2019 Plan"), which, in accordance with the requirements of the TSX, requires shareholder approval. The purpose of establishing the 2019 Plan is to ensure that there remains a sufficient number of options to acquire Class A Shares available for issuance to enable the Corporation to continue its current practice of granting options as an alternative to cash compensation to its executives. The 2019 Plan has substantially the same material terms as the 2016 Plan. See "Security-Based Compensation Arrangements" on pages 64 to 66 of this Circular for a summary of the terms of the 2016 Plan and the amendments made to the Option Plans (as defined on page 67 of this Circular) since the 2016 Plan was adopted by the holders of Class A Shares in June 2016.

Shareholder Approval

The TSX requires shareholder approval of the adoption of the 2019 Plan described above which must be approved by a majority of the votes cast at the meeting by holders of Class A Shares who vote in respect of the 2019 Plan and by the holders of Class B Shares, each voting separately as a class. The Board unanimously recommends that shareholders vote in favour of the following resolution (the "2019 Plan Resolution"):

Resolved that the 2019 Management Share Option Plan of the Corporation is hereby approved;

And that any director or officer of the Corporation is hereby authorized for and in the name of and on behalf of the Corporation to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable to carry out the intent of this resolution.

On any ballot that may be called for on the 2019 Plan Resolution, the management representatives designated on the form of proxy intend to cast the votes to which the shares represented by such proxy are entitled in favour of the 2019 Plan Resolution, unless the shareholder has specified on the form of proxy that the shares represented by such proxy are to be voted against the 2019 Plan Resolution.

6. Shareholder Proposals

Shareholders will be asked to consider two shareholder proposals: (i) a proposal from B.C. Government and Service Employees' Union General Fund and B.C. Government and Service Employees' Union Defence Fund ("Shareholder Proposal One") and (ii) a proposal from the Atkinson Charitable Foundation ("Shareholder Proposal Two", and together with Shareholder Proposal One, the "Shareholder Proposals"), as more particularly described in Part Six of this Circular. The Board unanimously recommends that the shareholders vote against each of the Shareholder Proposals for the reasons set out in Part Six of this Circular.

Shareholder Proposal One

Shareholder Proposal One must be approved by a majority of the votes cast by holders of Class A Shares who vote in respect of the proposal, and by the holder of Class B Shares, each voting as a separate class.

On any ballot that may be called in respect of a vote on Shareholder Proposal One, the management representatives designated on the form of proxy intend to vote such shares AGAINST Shareholder Proposal One, unless the shareholder has specified on the form of proxy that the shares represented by such proxy are to be voted for Shareholder Proposal One.

Shareholder Proposal Two

Shareholder Proposal Two must be approved by a majority of the votes cast by holders of Class A Shares who vote in respect of the proposal, and by the holder of Class B Shares, each voting as a separate class.

On any ballot that may be called in respect of a vote on Shareholder Proposal Two, the management representatives designated on the form of proxy intend to vote such shares AGAINST Shareholder Proposal Two, unless the shareholder has specified on the form of proxy that the shares represented by such proxy are to be voted for Shareholder Proposal Two.

PART THREE – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Governance

The Corporation is committed to good corporate governance. As such, we aim to continue to strengthen Board and management accountability to maintain public trust in the Corporation, and promote the long-term interests of our shareholders.

Corporate Governance

- 9 Independent Director Nominees
- Separate Chair and CEO
- Private Sessions of Independent Directors after each Board and Committee Meeting
- Risk Oversight by the Board and the Risk Management and Audit Committees
- Annual Board and Committee Self-Evaluations
- All Directors Attended at least 75% of Meetings Held
- Robust Code of Conduct
- Only Independent Directors on Audit, Governance and Nominating, and Management Resources and Compensation Committees
- Board Diversity Policy
- Environmental, Social and Governance Management



Shareholder Rights

- Annual Election of Directors
- Majority Voting for Directors
- Cumulative Voting for Directors
- Active Shareholder Engagement

Compensation

- Executive Compensation Program Driven by Strong Pay for Performance Philosophy (described in the “Compensation Discussion and Analysis” section of this Circular)
- Director Share Ownership Guidelines requiring directors to hold shares and share units having a value of at least 3x their annual retainer
- Independent Directors required to take 25% of their Annual Retainer in Deferred Share Units, regardless of existing ownership
- Share Retention Policy of at least 5x annual salary and Post-Exercise Hold Period Requirements for Executives
- Executives’ Incentive Awards/Equity Compensation subject to Clawback
- Anti-hedging, Short Sale and Pledging Restrictions

The Corporation’s comprehensive corporate governance policies and practices are consistent with the guidelines for corporate governance adopted by Canadian Securities Administrators (“CSA”) and the TSX. The Corporation’s corporate governance practices and policies are also consistent with the requirements of the U.S. Securities and Exchange Commission, the listing standards of the NYSE and the applicable provisions under the U.S. Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”).

Board of Directors

Mandate of the Board

The Board oversees the management of the Corporation’s business and affairs directly and through four standing committees: Audit, Governance and Nominating, Management Resources and Compensation and Risk Management (collectively, the “Committees”). The responsibilities of the Board and each Committee, respectively, are set out in written charters, which are reviewed and approved annually by the Board. All Board and Committee charters are posted on the Corporation’s website, <https://bam.brookfield.com> under “Corporate Governance.” The Board charter is also attached as Appendix A to this Circular.

The Board is responsible for:

- overseeing the Corporation’s long-term strategic planning process and reviewing and approving its annual business plan;
- reviewing major strategic initiatives to determine whether management’s proposed actions accord with long-term corporate goals and shareholder objectives;
- appointing the Chief Executive Officer (the “CEO”), overseeing the CEO’s selection of other members of senior management and reviewing succession planning;
- assessing management’s performance against approved business plans;
- reviewing and approving the reports issued to shareholders, including annual and interim financial statements;
- overseeing management’s approach to managing the impact of key risks facing the Corporation;
- promoting effective corporate governance;
- safeguarding shareholders’ equity interests through the optimum utilization of the Corporation’s capital resources; and
- overseeing the Corporation’s environmental, social and governance program and related practices.

Expectations of Directors

The Board has adopted a charter of expectations for directors (the “Charter of Expectations”), which sets out the Corporation’s expectations for personal and professional competencies, share ownership, meeting attendance, conflicts of interest, changes of circumstance, and resignation events. Directors are expected to bring any potential conflict of interest to the attention of the Chair or a Committee Chair in advance, and refrain from voting on such matters. Directors are also expected to submit their resignations to the Chair if: (i) they become unable to attend at least 75% of the Board’s regularly scheduled meetings; or (ii) if they become involved in a legal dispute, regulatory or similar proceedings, take on new responsibilities, or experience other changes in personal or professional circumstances that could adversely affect the Corporation or their ability to serve as a director. The Charter of Expectations is reviewed annually and a copy is posted on the Corporation’s website, <https://bam.brookfield.com> under “Corporate Governance.”

Meetings of the Board

The agenda for each Board meeting is set by the Chair, with input from the CEO, Chief Financial Officer (the “CFO”) and Corporate Secretary, before circulation to the full Board.

The Board meets at least twice each quarter: once to review and approve the Corporation’s quarterly earnings and consider dividend payments and once to review specific items of business, including transactions and strategic initiatives. The Board holds additional meetings as necessary to consider special business. The Board also meets once a year to review the Corporation’s annual business plan and long-term strategy.

In 2018, there were eight regularly scheduled meetings and two special meetings for a total of 10 Board meetings. In addition, the annual strategy session was held in December 2018.

Eight quarterly meetings and one strategy session are scheduled for 2019.

Meetings of Independent Directors

Private sessions of the independent directors without management and affiliated directors present are held at the end of each regularly scheduled and special Board meeting, as well as at the end of the annual strategy session. Each private session is chaired by the Chair, who reports back to the CEO on any matters requiring action by management. There were 10 private meetings of independent directors during 2018.

Private sessions of the Committees without management and affiliated directors present are also held after each Committee meeting, chaired by the respective Committee Chair, who reports back to an appropriate executive on any matters requiring action by management.

Independent Directors

The Board has a policy that at least a majority of its directors are independent in order to ensure that the Board operates independent of management and effectively oversees the conduct of management. The Corporation obtains information from its directors annually to determine their independence. The Board decides which directors are considered to be independent based on the recommendation of the Governance and Nominating Committee of the Board (the “Governance Committee”), which evaluates director independence based on the guidelines set forth under applicable securities laws.

In this process, the Board conducts an analysis of each director nominee to determine if they are an affiliated director (all director nominees who are also current members of management are, by definition, affiliated directors) or an independent director.

The following table shows the directors standing for election at the meeting and whether each nominee will be an Independent¹, Affiliated² or Management³ director.

	Independent	Affiliated	Management	Reason for Affiliated or Management Status
M. Elyse Allan	✓			
Jeffrey M. Blidner		✓	✓	Mr. Blidner is a Vice Chairman of the Corporation
Angela F. Braly	✓			
Jack L. Cockwell		✓		Mr. Cockwell is a shareholder, director and the Chairman of Partners Limited, and the Chairman of Brookfield Partners Foundation
Marcel R. Coutu	✓			
Maureen Kempston Darkes	✓			
Murilo Ferreira	✓			
J. Bruce Flatt		✓	✓	Mr. Flatt is the CEO of the Corporation
Robert J. Harding		✓		Mr. Harding is a former Chairman of the Corporation
Brian D. Lawson		✓	✓	Mr. Lawson is the CFO of the Corporation
Frank J. McKenna	✓			
Rafael Miranda	✓			
Lord O’Donnell		✓		Lord O’Donnell serves as a senior advisor to the Corporation in Europe
Timothy R. Price		✓		Mr. Price is a shareholder and director of Partners Limited and a director of Brookfield Partners Foundation
Seek Ngee Huat	✓			
Diana L. Taylor	✓			

The Board considers that the 9 directors listed as “Independent” above (approximately 56% of the Board) are independent.

¹ “Independent” refers to the Board’s determination of whether a director nominee is “independent” under Section 1.2 of National Instrument 58-101 — Disclosure of Corporate Governance Practices.

² “Affiliated” refers to a director nominee who (a) owns greater than a de minimis interest in the Corporation (exclusive of any securities compensation earned as a director) or (b) within the last two years has directly or indirectly (i) been an officer of or employed by the Corporation or any of its affiliates, (ii) performed more than a de minimis amount of services for the Corporation or any of its affiliates, or (iii) had any material business or professional relationship with the Corporation other than as a director of the Corporation. “de minimis” for the purpose of this test includes factors such as the relevance of a director’s interest in the Corporation to themselves and to the Corporation.

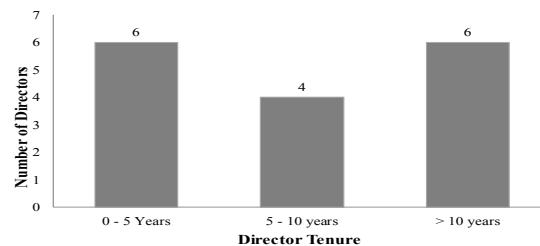
³ “Management” refers to a director nominee who is a current member of management of the Corporation.

Term Limits and Board Renewal

The Governance Committee leads the effort to identify and recruit candidates to join the Board. In this context, the Governance Committee's view is that the Board should reflect a balance between the experience that comes with longevity of service on the Board and the need for renewal and fresh perspectives.

The Governance Committee does not support a mandatory retirement age, director term limits or other mandatory Board turnover mechanisms because its view is that such policies are overly prescriptive; therefore, the Corporation does not have term limits or other mechanisms that compel Board turnover. The Governance Committee does believe that periodically adding new voices to the Board can help the Corporation adapt to a changing business environment and Board renewal continues to be a priority.

The Governance Committee reviews the composition of the Board on a regular basis in relation to approved director criteria and skill requirements and recommends changes as appropriate to renew the Board (see the "Governance and Nominating Committee" section in this Statement of Corporate Governance Practices for further information on the Corporation's process to identify candidates for election to the Board). Assuming all director nominees are elected at the meeting, six new directors will have joined the Board over the past five years, which represents a turnover of approximately 38% of the Board. The Board tenure profile of the Corporation is set out below.



Board Diversity Policy

Brookfield is committed to enhancing the diversity of the Board. The Corporation's deep roots in many global jurisdictions inform its perspective on diversity and the Corporation's view is that its Board should reflect a diversity of backgrounds relevant to its strategic priorities. This includes such factors as diversity of business expertise and international experience, in addition to geographic and gender diversity.

To achieve the Board's diversity goals, it has adopted the following written policy:

- Board appointments will be based on merit, having due regard for the benefits of diversity on the Board, so that each nominee possesses the necessary skills, knowledge and experience to serve effectively as a director;
- In the director identification and selection process, diversity on the Board, including the level of representation of women on the Board, will influence succession planning and be a key criterion in identifying and nominating new candidates for election to the Board; and
- The Board has an ongoing gender diversity target of ensuring at least 30% of independent directors are women.

Currently, of the nine independent directors and 16 total number of directors on the Board, four directors are women (all are independent directors and all are standing for re-election). Therefore, if all of the director nominees are elected at the meeting, there will be four women on the Board, or 44% of the independent directors on the Board and approximately 25% of the entire Board.

The Governance Committee is responsible for implementing the Board diversity policy, monitoring progress towards the achievement of its objectives and recommending to the Board any necessary changes that should be made to the policy.

Director Share Ownership Guidelines

The Charter of Expectations sets forth share ownership requirements of directors, which are in place because the Corporation believes that directors can better represent shareholders if they have economic exposure to the Corporation themselves. The Corporation requires that each director hold Class A Shares, Restricted Shares and/or Deferred Share Units ("DSUs") in the Corporation having, in the aggregate, a value equal to at least three times the director's annual retainer fee (the "Annual Retainer"), as determined by the Board from time to time. New directors have five years from the date of joining the Board to achieve this minimum economic ownership requirement. Directors are required to take one-half of their Annual Retainer in the form of DSUs until the minimum share ownership level is achieved. Thereafter, all independent directors are required to take one-quarter of their Annual Retainer in the form of DSUs.

Director Orientation

New directors are provided with a comprehensive orientation package, which includes information on the Corporation's various businesses, its culture, its corporate governance practices and the Board and Committee framework in place to manage the Corporation's affairs and oversee management. Each new director is informed of the expectations that will be placed on them and the commitment they will be asked to make to the Corporation. New directors have private educational sessions with members of senior management prior to or upon joining the Board.

Director Education and Site Visits

The Corporation provides regular continuing education for directors. Time is set aside at all regularly scheduled Board meetings for presentations on different areas of the Corporation's businesses, led by executives responsible for or familiar with these operations. This includes at least one presentation each quarter that provides directors with an in-depth analysis of a business unit of the Corporation in order to further educate the directors about Brookfield. Also, presentations on new developments and trends in corporate governance and director fiduciary duties are provided as appropriate.

Director dinners, with select management present, are held before or immediately following all regularly scheduled Board meetings, and director education is provided at these dinners by way of presentations on areas relevant to Brookfield's businesses. These dinners increase director knowledge of various business activities and initiatives. Often more junior executives are invited to Board dinners in order to provide directors with exposure to "high potential" executives and better enable the Board to assess the Corporation's bench strength from a succession standpoint.

In 2014, the Board launched an initiative of onsite visits to the Corporation's business operations in key markets outside Toronto and New York, where regularly scheduled Board meetings are normally held. These site visits are designed to provide an opportunity for directors to learn about the Corporation's major businesses by viewing the operations firsthand and meeting in person with local management.

London Visit: In September 2015, 14 of the 16 directors on the Board, including all of the independent directors, visited certain of the Corporation's assets in London, UK and surrounding areas. London was selected as it is home to Brookfield's European head office and the UK has operations representing all of Brookfield's main business groups. While in London, the Board visited with local management teams to receive presentations educating them on various assets, and also met with community leaders in order to strengthen the Corporation's UK business relationships.

São Paulo Visit: In September 2017, 15 of the 16 directors on the Board, including nine of the independent directors, visited certain of our operations in São Paulo, Brazil. This included a port terminal, as well as a water treatment and distribution plant of one of our newest investments, BRK Ambiental. The Board was accompanied by members of our management teams from across Latin America, including senior investment and operations professionals from Chile, Colombia, Mexico and Peru. While in São Paulo, the Board also met with a variety of business and community leaders, enabling us to continue developing our business and demonstrating Brookfield's ongoing commitment to the region. These interactions provided directors with significant additional insight into our assets and operations in the region.

Dubai/Mumbai Visit: The Board is planning to visit certain of our operations and assets in Dubai and Mumbai in December 2019. This trip is expected to include visits to certain of the Corporation's assets in Dubai and Mumbai, presentations by the Corporation's local management teams on the local economy and the Corporation's business initiatives in these regions, as well as, meetings with community and business leaders.

Director Commitments

The Governance Committee monitors the demands placed on each director's time and attention outside of their service on the Board. This includes, among other things, reviewing the number of other public company boards that a director sits on to ensure that no director has excessive commitments to other public companies that may result in a reduced ability for the director to provide effective oversight as a Board member. In this regard, each director is required to notify the Chair prior to accepting a directorship at another public company.

The view of the Governance Committee is that a policy limiting the number of other public company boards that a director can sit on is overly prescriptive and would unnecessarily limit our pool of candidate directors. Instead, the Governance Committee's philosophy is to consider all outside commitments of a director in context and make a determination whether each director is able to serve effectively on behalf of the Corporation's shareholders. The Governance Committee has determined that all director nominees are able to devote the time and attention required to provide effective oversight as a Board member.

Interlocking Directorships

The Governance Committee monitors interlocking board and committee memberships among all directors. Board interlocks exist when two directors of one public company sit on the board of another company and committee interlocks exist when two directors sit together on another board and are also members of the same board committee. There is currently one board and one committee interlock among the Corporation's independent directors: Mr. Coutu and Ms. Kempston Darkes serve together on the board of directors of Enbridge Inc., an energy delivery company, and serve together on the Human Resources & Compensation Committee of Enbridge Inc. No other board or committee interlocks exist. In late February 2019, the Governance Committee determined that there were no interlocking board or committee memberships that were expected to adversely affect the ability of interlocking directors to act independently from each other and to act in the Corporation's best interests.

Committees of the Board

The four standing Committees of the Board assist in the effective functioning of the Board and help ensure that the views of independent directors are effectively represented:

- Audit Committee;
- Governance and Nominating Committee;
- Management Resources and Compensation Committee; and
- Risk Management Committee.

The responsibilities of these Committees are each set out in written Charters, which are reviewed and approved annually by the Board. The Charter of each Committee, which includes the position description of its respective Committee Chair, can be found on the Corporation's website, <https://bam.brookfield.com> under "Corporate Governance." It is the Board's policy that all Committees, except the Risk Management Committee, must consist entirely of independent directors. The Risk Management Committee must not include any current members of management. Special committees may be formed from time to time to review particular matters or transactions. While the Board retains overall responsibility for corporate governance matters, each standing Committee has specific responsibilities for certain aspects of corporate governance in addition to its other responsibilities, as described below.

Audit Committee

The Audit Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and associated internal controls, and the performance of the Corporation's external and internal auditors. It is responsible for reviewing certain public disclosure documents before their approval by the full Board and release to the public, such as the Corporation's quarterly and annual financial statements and management's discussion and analysis. The Audit Committee is also responsible for recommending the Independent Registered Public Accounting Firm to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor, subject to the Audit Committee's Audit Policy. The Audit Committee meets regularly in private session with the Corporation's external auditor and internal auditors, without management present, to discuss and review specific issues as appropriate. The Audit Committee met eight times in 2018.

In addition to being independent directors as described above, all members of the Audit Committee must meet an additional "independence" test under Canadian securities laws and the Sarbanes-Oxley Act, in that their directors' fees must be and are the only compensation they receive, directly or indirectly, from the Corporation. Further, the Audit Committee requires that all its members disclose any form of association with a present or former internal or external auditor of the Corporation to the Board for a determination as to whether this association affects the independent status of the director.

As at April 29, 2019, the Audit Committee was comprised of the following four directors: Marcel R. Coutu (Chair), M. Elyse Allan, Angela F. Braly and Rafael Miranda. The Board has determined that all of these directors are independent for Audit Committee service and financially literate, and that Mr. Coutu is qualified as a "designated financial expert." Mr. Coutu has a Master of Business Administration degree and over 25 years of experience in investment banking and corporate finance. He is the former President and Chief Executive Officer of Canadian Oil Sands Limited. Ms. Allan is the former President and Chief Executive Officer of General Electric Canada Company Inc. and in this capacity oversees the preparation of financial statements for this subsidiary of General Electric Co. Ms. Braly is the former Chair of the Board, President and Chief Executive Officer of WellPoint, Inc., and she currently serves on the audit committee of The Procter and Gamble Company. Mr. Miranda is the retired CEO of Ednesa, S.A., the largest electronic utility company in Spain, and in this capacity oversaw the preparation of financial statements for Ednesa, S.A. He currently serves on the audit committee of Hispania Activos Inmobiliarios, S.A. Mr. Coutu and Mses. Allan and Braly were members of the Audit Committee throughout 2018, while Mr. Miranda has served as a member of the Audit Committee since June 2018.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110 — *Audit Committees* ("NI 52-110"), see "Audit Committee Information" on pages 32 to 33 of the Corporation's Annual Information Form for the year ended December 31, 2018 (the "AIF") which is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.

Governance and Nominating Committee

It is the responsibility of the Governance Committee, in consultation with the Chair, to assess from time to time the size and composition of the Board and its Committees; to review the effectiveness of the Board's operations and its relations with management; to assess the performance of the Board, its Committees and individual directors; to review the Corporation's statement of corporate governance practices; and to review and recommend the directors' compensation. The Governance Committee met two times in 2018.

On an annual basis, the Governance Committee reviews the guidelines which apply to the Corporation's investment and capital markets activities, including the thresholds and other criteria governing when such activities can be approved by management and when Board approval is required.

The Board has in place a formal procedure for evaluating the performance of the Board, its Committees and individual directors – the Governance Committee reviews the performance of the Board, its Committees and the contribution of individual directors on an annual basis (see the "Board, Committee and Director Evaluation" section in this Statement of Corporate Governance Practices for further information on the annual director evaluation process).

The Governance Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to the Board and for recommending candidates for Board membership, including the candidates proposed to be nominated for election to the Board at the annual meeting of shareholders. To do this, the Governance Committee maintains an "evergreen" list of candidates to ensure outstanding candidates with needed skills can be quickly identified to fill planned or unplanned vacancies. Candidates are assessed in relation to the criteria established by the Board to ensure that the Board has the appropriate mix of talent, quality, skills, diversity, perspectives and other requirements necessary to promote sound governance and Board effectiveness.

The Governance Committee reviews, at least once a year, the composition of the Committees to ensure that Committee membership complies with the relevant governance guidelines, that the workload for independent directors is balanced, and that Committee positions are rotated as appropriate. In doing so, the Governance Committee consults with the Chair and makes recommendations to the Board, which appoints Committee members.

As at April 29, 2019, the Governance Committee was comprised of the following three directors: Frank J. McKenna (Chair), Seek Ngee Huat and Diana L. Taylor, all of whom are independent directors. Mr. McKenna also serves as the Board's Chair. Messrs. McKenna and Seek and Ms. Taylor were members of the Governance Committee throughout 2018.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee (the "Compensation Committee") is responsible for reviewing and reporting to the Board on management resource matters, including ensuring a diverse pool for succession planning, the job descriptions and annual objectives of senior executives, the form of executive compensation in general including an assessment of the risks associated with the compensation plans, and the levels of compensation of the CEO and other senior executives. The Compensation Committee also reviews the performance of senior management against written objectives and reports thereon. The Compensation Committee met two times in 2018.

All members of the Compensation Committee meet the standard director independence test in that they have no relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of their independent judgment.

The Board has also adopted a heightened test of independence for all members of the Compensation Committee, which entails that the Board has determined that no Compensation Committee member has a relationship with senior management that would impair the member's ability to make independent judgments about the Corporation's executive compensation. This additional independence test complies with the test in the listing standards of the NYSE. Additionally, the Compensation Committee evaluates the independence of any advisor it retains in order to comply with the aforementioned NYSE listing standards. The Board has adopted its own governance policy that not more than one-third of the members of the Compensation Committee may be current chief executive officers of a publicly traded entity.

As at April 29, 2019, the Compensation Committee was comprised of the following three directors: Diana L. Taylor (Chair), Marcel R. Coutu and Maureen Kempston Darkes, all of whom meet the additional criteria for independence described in the paragraph above. None of the Compensation Committee members is currently the chief executive officer of a publicly traded entity. Ms. Taylor, Mr. Coutu and Ms. Kempston Darkes were members of the Compensation Committee throughout 2018.

Risk Management Committee

The Risk Management Committee is responsible for monitoring the Corporation's financial and non-financial risk exposures, including market, credit, operational, reputational, litigation and regulatory, fraud, bribery and corruption, health, safety and the environment, strategic, systemic and business risks, and the steps senior management has taken to monitor and control such risk exposures. The Committee regularly reports to the Board on its proceedings and any significant matters that it has addressed. The Risk Management Committee met four times in 2018.

As at April 29, 2019, the Risk Management Committee was comprised of the following four directors: Maureen Kempston Darkes (Chair), M. Elyse Allan, Murilo Ferreira and Youssef A. Nasr, all of whom are independent directors. Mses. Kempston Darkes and Allan, and Mr. Nasr were members of the Risk Management Committee throughout 2018; Mr. Ferreira has served as a member of the Risk Management Committee since June 2018. As described above, Mr. Nasr will not be standing for re-election.

Reporting

Each Committee Chair provides a report to the Board following a meeting of their Committee. A Committee's report to the Board provides a review of the matters that came before the Committee during its meeting and a summary of any decisions that the Committee made. Additionally, as part of the Committee's report, the Committee will recommend any resolutions that it proposes for adoption by the Board. On an annual basis, each Committee provides a report to shareholders highlighting its work and achievements during the prior year.

Board, Committee and Director Evaluation

The Board believes that a regular and formal process of evaluation improves the performance of the Board as a whole, the Committees and individual directors. Each year, a survey is sent to independent directors inviting comments and suggestions on areas for improving the effectiveness of the Board and its Committees. The results of this survey are reviewed by the Governance Committee, which makes recommendations to the Board as required. Each independent director also receives a self-assessment questionnaire and all directors are required to complete a skill-set evaluation which is used by the Governance Committee for planning purposes.

The Chair holds private interviews with each non-management director annually to discuss the operations of the Board and its Committees, and to provide any feedback on the individual director's contributions. This interview process also includes a peer review, where each director is asked to provide feedback to the Chair on the performance of their colleagues on the Board. The Chair reports on these interviews to the Governance Committee as a basis for recommending to the Board measures to improve individual director performance and the overall effectiveness of the Board.

Board and Management Responsibilities

Separate Chair and CEO

The Corporation formally separates the positions of Chair and CEO and reserves the Chair position for an independent director. The Chair is Frank McKenna, an independent director, and the CEO is Bruce Flatt. The Board has adopted written position descriptions for each of the Chair and CEO, which are summarized below, as well as position descriptions for each Committee Chair. These position descriptions are reviewed annually by the Board and posted on the Corporation's website, <https://bam.brookfield.com> under "Corporate Governance."

The Chair manages the business of the Board and ensures that the functions identified in the Board's Charter are being carried out effectively by the Board and its Committees. In addition, the Chair is responsible for: approving the agenda for each Board meeting after consultation with the CEO and the CFO; ensuring directors receive the information required to perform their duties; ensuring an appropriate Committee structure is in place; providing for an evaluation system to assess the performance of the Board as a whole, the Committees and individual directors; and working with the CEO and senior management of the Corporation in monitoring progress on strategic planning, policy implementation and succession planning. The Chair also presides over all private sessions of the independent directors of the Board that take place following each Board meeting and is responsible for ensuring that matters raised during these meetings are reviewed with management and acted upon.

The CEO provides leadership to the Corporation and, subject to approved policies and direction by the Board, manages the business and affairs of the Corporation and oversees the execution of its strategic plan. In addition, the CEO is responsible for the following functions: presenting to the Board for approval an annual strategic plan for the Corporation; presenting to the Board for approval the Corporation's capital and operating plans on an ongoing basis; acting as the primary spokesperson for the Corporation; presenting to the Board for approval an annual assessment of senior management and succession plans; appointing or terminating senior executives of the Corporation; and, together with the CFO, establishing and maintaining controls and procedures appropriate to ensure the accuracy and integrity of the Corporation's financial reporting and public disclosures.

Management's Relationship to the Board

The Corporation's senior management team reports to and is accountable to the Board. Members of management attend Board meetings at the invitation of the Chair and Committee meetings at the invitation of the respective Committee Chairs.

The information provided by management to directors is critical to Board effectiveness. In addition to the reports presented to the Board and its Committees at meetings, the directors are also kept informed by management on a timely basis of corporate developments and key decisions taken by management in pursuing corporate objectives. The directors annually evaluate the quality, completeness and timeliness of information provided by management to the Board.

Strategic Planning

The Board oversees the Corporation's strategy to provide world-class alternative asset management services on a global basis, focused on real assets in real estate, renewable power, infrastructure, and private equity. To facilitate this strategy, the Corporation develops an annual business plan to ensure the compatibility of shareholder, Board and management views on the Corporation's strategic direction and performance targets, and the effective use of shareholder capital. The Board meets once a year at an annual strategy session to review the strategic initiatives and annual business plan submitted by senior management.

At the Board's annual strategy session, the Board reviews the Corporation's business model, which is to raise capital in various forms from institutional and public market investors and utilize its global reach to identify and acquire high quality assets at favourable valuations, finance them prudently, and then seek to enhance the cash flows and values of these assets through established operating business groups. The Corporation's strategic plan is designed to achieve attractive long-term total returns for shareholders while minimizing risk. At the annual strategy session, the Board evaluates the strategic plan and management's annual accomplishments versus the corporate objectives set forth in the plan.

The Board must approve the annual business plan, which provides a mandate for senior management to conduct the affairs of the Corporation within the terms of the plan. This occurs in December of each year, where the Board reviews and then approves management's business plan for the coming year. Material deviations from the annual business plan are reported to and considered by the Board.

Time is spent at each Board meeting discussing the Corporation's strategy with management in the context of corporate opportunities and strategic initiatives across the organization. On a quarterly basis, the Board reviews the current global economic climate as applicable to Brookfield and its businesses, in the event that adjustments to the Corporation's strategy may be considered.

Risk Management Oversight

Managing risk is an integral part of the Board's activities. The Corporation has established a risk management framework for managing risks across the organization and the Board has overseen the development of a disciplined and focused approach to risk management.

Given the diversification and scope of Brookfield's operations, the Corporation seeks to ensure that risk is managed as close to its source as possible, and by management teams that have direct and ongoing knowledge and expertise in the business or risk area. As such, business specific risks are generally managed at the business unit level, as the risks vary based on the unique business and operational characteristics. At the same time, the Corporation utilizes a coordinated approach to risks with the potential to impact Brookfield's asset management franchise as a whole, as well as risks that tend to be more pervasive and correlated in their impact across the organization, and where management can bring together specialized knowledge to better manage these risks.

At least quarterly, management reports to the Board and its Committees on developments and progress made on strategies for managing key risks.

The Board has governance oversight for risk management with a focus on the more significant risks facing the Corporation, and builds upon management's risk assessment processes. The Board has delegated responsibility for the oversight of specific categories of risks to its Committees as follows:

Audit Committee

Oversees the management of risks related to Brookfield's systems and procedures for financial reporting, as well as for associated audit processes (both internal and external). Part of the Audit Committee's responsibilities is the review and approval of the internal audit plan, which is designed to ensure alignment with risk management activities and organizational priorities.

Governance and Nominating Committee

Oversees the risks related to Brookfield's governance structure, including the effectiveness of Board and Committee activities and potential conflicts of interest.

Management Resources and Compensation Committee

Oversees the risks related to Brookfield's management resource matters, including succession planning, executive compensation, and the job descriptions and annual objectives of senior executives, as well as performance against those objectives.

Risk Management Committee

Oversees the management of Brookfield's significant financial and non-financial risk exposures and reviews risk management practices with management to assess the effectiveness of efforts to mitigate key organizational risks, as well as confirm that the Corporation has an appropriate risk taking philosophy and suitable risk capacity.

Environmental, Social and Governance Management

We believe that acting responsibly toward our stakeholders is fundamental to operating a productive, profitable and sustainable business. This is consistent with our philosophy of conducting business with a long-term perspective in a sustainable and ethical manner. Our bottom line is that having robust environmental, social and governance ("ESG") principles and practices is good business for a wide variety of reasons. Accordingly, we have embedded ESG principles and practices into both our asset management activities and underlying business operations.

We incorporate ESG factors into our investment decisions, starting with the due diligence of a potential investment through to the exit process. During the initial due diligence phase, we utilize our operating expertise to identify material ESG opportunities or risks relevant to the potential investment and then perform a deeper due diligence if required, where we utilize internal experts and, as needed, third-party consultants. All investments made by Brookfield must be approved by our investment committees based on a set of predetermined criteria that evaluate potential risks, mitigants and opportunities. ESG matters are part of this evaluation, including anti-bribery and corruption, health and safety, environmental and social considerations.

As part of each acquisition, the investment teams create a tailored integration plan that, among other things, includes material ESG-related matters for review or execution. ESG risks and opportunities are actively managed by the portfolio companies with oversight from the investment team responsible for the investment. This recognizes the importance of local expertise, which provides valuable insight given the wide range of asset types and locations in which we invest, coupled with the broad Brookfield investment expertise. We believe there is a strong correlation between actively managing these considerations effectively and enhancing investment returns.

With respect to environmental considerations, we believe that our operating businesses are well positioned as the world transitions toward lower carbon and more sustainable economies. Our renewable power business is one of the largest pure-play global owners and operators of hydroelectric, wind and solar generation facilities and is committed to supporting the global transition toward a low-carbon economy; we also benefit by having negligible fossil fuel inputs and enhanced revenues. Further, we are one of the world's largest owners of real estate; our office and retail portfolios are heavily weighted towards properties that meet high environmental sustainability standards consistent with the expectations of our tenants, which enhances rental revenues and lowers operating costs. Our infrastructure and private equity businesses include a wide variety of businesses, many of which are well positioned to have a positive environmental impact and benefit from our focus on operational efficiency, including energy efficiency.

Health and safety in the workplace forms an integral part of how our businesses are managed. As health and safety risk varies across industry sectors and the nature of operations, we emphasize the importance of having operating businesses directly accountable and responsible for managing and reporting risks within their operations, while Brookfield provides an important level of strategic direction and engagement. Our focus on health and safety is embedded within all stages of our investment process from due diligence through to the exit process:

- We target zero serious safety incidents across Brookfield and our operating businesses.
- Each of our operating businesses is required to adopt established health and safety principles and key performance indicators ("KPIs"). Pursuant to this framework, senior executives of each operating business are accountable for health and safety at their respective businesses, and health and safety systems are tailored to company-specific risks and integrated into the management of the business. Health and safety performance is measured, and systems are reviewed regularly to identify areas for improvement.

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- Health and safety policies and procedures apply not only to employees, but also to contractors and subcontractors, and also take into consideration the protection of the public in general.
 - In addition, our operating businesses provide training programs designed to ensure that employees have the necessary skills to conduct their work safely and efficiently.

Health and safety is embedded in our workplaces and is supported by well-established programs, which are applied across our operating businesses by their respective senior management, who are charged with, and accountable for, all aspects of the management of their individual businesses, including health and safety performance.

Regarding the management of social considerations, we would not be able to operate our businesses without our approximately 100,000 operating employees and 1,700 employees within our asset management operations. Therefore, we are constantly focused on human capital development. We believe that diversity adds significant benefits to a workplace and so we are continuing to introduce measures to increase diversity. Diversity is about having a workplace that reflects a variety of perspectives, but a diverse work environment is not enough. We also are focused on maintaining an inclusive environment—meaning one in which all are encouraged to contribute, enabling the organization as a whole to benefit from different perspectives in order to achieve better business outcomes.

We also recognize that we must be positive contributors to the communities in which we operate and not just an employer. We encourage and support numerous community and philanthropic initiatives across Brookfield, and we believe that these programs have a positive impact not just on the communities but on our many employees that participate.

Finally, we understand that good governance is critical to sustainable business operations. We have developed a comprehensive governance framework across Brookfield. This is greatly assisted by operating through public companies, including the Corporation as well as within the regulatory requirements of a global asset manager. Governance extends to all facets of our activities, including those related to ESG matters. We maintain a committee of senior executives representing each of our major business operations to coordinate ESG initiatives across our business groups, share best practices and encourage a firm-wide effort to constantly improve our activities in these regards. While the Board has always had oversight over ESG matters, in 2018, the Board formally embedded ESG management into the various board and committee mandates to acknowledge these areas as priorities, as discussed below.

2018 Highlights

In 2018, we embedded ESG management into the Board Charter, as well as the Charter for the Governance Committee, which allows for more formal director engagement with respect to our ESG initiatives. This ensures that sustainability is a priority and is explicitly addressed in our long-term business strategy and risk management.

We are taking specific actions to better measure our greenhouse gas (“GHG”) emissions. Our renewable power business now measures its scope 1 and 2 GHG emissions globally. In 2018, which represents the base-year calculation, Brookfield Renewable Partners L.P.’s global gross carbon intensity was measured to be one of the lowest among comparable power companies. Our North American core office business, U.S. retail and our London office businesses also measure their GHG emissions and report their results annually to the Global Real Estate Sustainability Benchmark, or GRESB, a leading sustainability assessment tool. In 2018, all three businesses maintained their GRESB Green Star rating.

Another environmental focus area is the recycling and reduction of waste across our operating businesses. Many of our real estate, infrastructure and private equity businesses have either launched innovative programs in this area or continued to improve their waste reduction measures. These initiatives span groundbreaking programs, such as the removal of plastic waste from the ocean at our U.K. ports business and the commitment by our London office business to becoming the world’s first plastic-free commercial center, to ongoing waste reduction and recycling initiatives.

We are becoming more active in sustainable finance initiatives. In 2018, Brookfield Renewable Partners L.P. issued C\$300 million in corporate green bonds and developed the Brookfield Renewable Green Bond Framework, which defines the investments that are eligible for green bond issuance and how performance will be measured. An outside consultant confirmed its view that the framework aligns to its 2018 Green Bond Principles. The growing green bond market allows debt investors to participate in the financing of sustainable products, and we plan to offer additional green bond issuances.

We continue to implement measures to improve diversity within our employee base. We have now formalized our requirement that candidate pools be sufficiently diverse as part our recruiting process. Further, we have broadened the number of activities that promote and support success for our female employees.

In 2018, we released a Positive Work Environment Policy, which consolidates our previous regional harassment policies into one global policy and sets a consistent and high standard across all our jurisdictions by explicitly expressing our commitment to maintaining a workplace free from discrimination, violence and harassment. Each employee is required to report any actions or incidents that they witness or experience that are in violation of this policy.

In recent years, data privacy and cybersecurity have become key ESG priorities for global companies. At Brookfield, we have continued to focus on strengthening our processes in this area through a number of measures. For example, we have established an information security steering committee, which ensures that our cybersecurity efforts are aligned across the organization. We have enhanced a spectrum of cybersecurity capabilities, including Multifactor Authentication, Virtual Private Networks, Penetration Testing, Security Incident Management and industry leading cybersecurity audit processes. Additionally, a rigorous and ongoing cybersecurity training program was implemented for all employees to improve awareness.

Communication and Disclosure Policies

The Corporation has a disclosure policy (the “Disclosure Policy”) which summarizes its policies and practices regarding public disclosures of information to investors, analysts and the media. The Disclosure Policy ensures that the Corporation’s communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. The Disclosure Policy is reviewed annually by the Board and is posted on the Corporation’s website, <https://bam.brookfield.com> under “Corporate Governance.”

The Corporation keeps its shareholders informed of progress and developments through a comprehensive annual report, quarterly interim reports and periodic news releases. The Corporation’s website provides summary information on the Corporation and ready access to its published reports, news releases, statutory filings and supplementary information provided to analysts and investors. Brookfield may, subject to applicable securities laws, disseminate important information exclusively via its website and shareholders and others should consult the website to access this information regarding the Corporation and its affairs.

Directors and management meet with the Corporation’s shareholders at the annual meeting of shareholders in Toronto and, in the case of management, the annual investor day in New York (“Investor Day”), and are available to respond to questions at these events. At Investor Day, management makes presentations to shareholders, investors and analysts on our recent performance, our plans for the future and our prospects. Shareholders who wish to contact the Chair or other Board members can do so through the Corporate Secretary of the Corporation by phone at 1-866-989-0311 or by email at enquiries@brookfield.com.

The Corporation also maintains an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investors and investment analysts and hosts quarterly conference calls by webcast to discuss the Corporation’s financial results, with a transcript of these calls posted on the Corporation’s website. Management ensures that the media are kept informed of developments on a timely basis and have an opportunity to meet and discuss these developments with the Corporation’s designated spokespersons.

Code of Business Conduct and Ethics

The Corporation’s policy is that all its activities be conducted with the utmost honesty and integrity and in compliance with all legal and regulatory requirements. The Corporation’s Code of Business Conduct and Ethics (the “Code”) sets out the guidelines and principles for how directors and employees should conduct themselves as members of the Brookfield team. Preserving our corporate culture is vital to the organization and following the Code helps us do that.

All directors, officers and employees of the Corporation are required to provide a written acknowledgment upon joining Brookfield that they are familiar with and will comply with the Code. All directors, officers and employees of the Corporation are required to provide this same acknowledgment annually.

The Board annually reviews the Code to consider whether to approve changes in the Corporation’s standards and practices. Compliance with the Code is monitored by the Board through its Risk Management Committee, which receives regular reports on any non-compliance issues from the Corporation’s internal auditors. The Code is posted on the Corporation’s website, <https://bam.brookfield.com> under “Corporate Governance” and is filed on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.

Report of the Audit Committee

The following is a summary of the Audit Committee's work during 2018, in accordance with its Charter:

Financial Reporting

- ✓ Reviewed the annual and interim financial statements, external auditor's reports, management's discussion and analysis, supplemental information, financial news releases, officer certifications and all other disclosure documents containing material audited or unaudited financial information
- ✓ Reviewed the systems and procedures used in preparing financial statements and reports
- ✓ Monitored the effectiveness of disclosure controls and procedures and internal controls over financial reporting
- ✓ Received presentations from management on areas relevant to the Audit Committee's oversight of financial reporting and the role of the Audit Committee in reviewing consolidated financial information of the Corporation
- ✓ Remained responsible for review of any allegations of financial reporting fraud or misconduct reported through the Corporation's ethics hotline or otherwise, including those reported by employees of wholly-owned or controlled operating businesses

External Auditor

- ✓ Recommended the firm of chartered accountants to be nominated for appointment as the external auditor by the Corporation's shareholders
- ✓ Evaluated the external auditor's performance and monitored the quality and effectiveness of the relationship among the external auditor, management and the Audit Committee
- ✓ Reviewed and approved proposed external audit engagement and fees for the year
- ✓ Monitored the independence of the external auditor and received the external auditor's report on its independence
- ✓ Reviewed the planned scope of the audit, the areas of special emphasis and the materiality thresholds proposed to be employed
- ✓ Approved the Audit Policy governing the pre-approval of audit and non-audit services provided by the external auditor to the Corporation and the ratification of services delivered
- ✓ Reviewed reports from the external auditor on internal control issues identified in the course of its audit and attestation activities
- ✓ Reviewed reports from the external auditor of Brookfield Business Partners L.P., Brookfield Renewable Partners L.P., Brookfield Infrastructure Partners L.P. and Brookfield Property Partners L.P. to understand areas of significant judgment and audit risks
- ✓ Met with the external auditor in private sessions after each Audit Committee meeting without management present

Internal Auditors

- ✓ Reviewed the quarterly activities and reports of the internal auditors, including completed audits, follow-up plans for outstanding matters raised and other priorities
- ✓ Received a report of the Corporation's plan to comply with the provisions of the Sarbanes-Oxley Act
- ✓ Reviewed the performance of the internal auditors
- ✓ Reviewed and approved the internal auditors' audit plan
- ✓ Met independently with the internal auditors

Financial Literacy of Audit Committee Members

- ✓ Assessed the financial literacy of each Audit Committee member

MANDATE

The Audit Committee oversees Brookfield's financial reporting and disclosure, and compliance with applicable laws and regulations governing reporting and disclosure.

The Audit Committee Charter and the Audit Committee Chair's position description are available at <https://bam.brookfield.com> under "Corporate Governance."

Other Duties and Responsibilities

- ✓ Reviewed and approved the Charter of the Audit Committee and the internal auditors
- ✓ Reviewed and approved the Report of the Audit Committee included in this Circular
- ✓ Reviewed the Audit Committee’s annual work program
- ✓ Monitored the governance and control activities of the Corporation related to the responsibilities of the Audit Committee
- ✓ Reviewed and approved the company’s quarterly valuation analysis in respect of the United States Investment Company Act of 1940
- ✓ Reviewed senior management’s expenses
- ✓ Monitored the quality of the Corporation’s finance function and its alignment with the scale and breadth of the Corporation’s business
- ✓ Met privately as an Audit Committee after every meeting

MEMBERSHIP

Marcel R. Coutu, *Chair*
M. Elyse Allan
Angela F. Braly
Rafael Miranda

FINANCIAL LITERACY

All members are “financially literate” as required by the CSA and Mr. Coutu is a designated financial expert.

INDEPENDENCE

All members meet Board-approved independence standards which are derived from the CSA corporate governance guidelines.

For more information about the Audit Committee as required by Part 5 of NI 52-110, see the “Audit Committee Information” section on pages 32 to 33 of the AIF, which is available on SEDAR at www.sedar.com and EDGAR at www.sec.gov/edgar.

Auditor’s Fees

See pages 21 to 22 of this Circular for a description of the fees that Deloitte received for services rendered during the year ended December 31, 2018.

The Audit Committee met eight times in 2018. In addition, the Chair of the Audit Committee met regularly with the external auditor, the internal auditors and management.

This report has been adopted and approved by the Audit Committee:
Marcel R. Coutu, *Chair*; M. Elyse Allan, Angela F. Braly and Rafael Miranda.

Report of the Governance and Nominating Committee

The following is a summary of the Governance Committee's work during 2018, in accordance with its Charter:

Composition and Performance of the Board and its Committees

(i) Director Nominations

- ✓ Reviewed the size, composition and diversity of the Board and its Committees
- ✓ Reviewed the competencies and skills represented on the Board and the skills required of directors and the Board as a whole
- ✓ Maintained an "evergreen" list of director candidates
- ✓ Selected a new candidate to serve on the Board and stand as director nominee at the 2018 meeting of shareholders
- ✓ Approved eight Class A Share director nominees and eight Class B Share director nominees for election by the shareholders and recommended them to the Board

(ii) Evaluation of the Board, its Committees and Individual Directors

- ✓ Reviewed the performance of the Board, its Committees and individual directors
- ✓ Reviewed the process for evaluating the performance of the Board and the individual directors
- ✓ Reviewed and approved the current director appointments to the Committees

Director Compensation

- ✓ Reviewed compensation paid to the Board Chair and to the independent and affiliated directors

Disclosure

- ✓ Reviewed and approved the Corporation's Statement of Corporate Governance Practices and other corporate governance disclosure for inclusion in this Circular
- ✓ Reviewed and approved the Report of the Governance Committee included in this Circular

Corporate Governance

- ✓ Set the Board Work Plan for 2019
- ✓ Evaluated and recommended enhancements to the Corporation's governance practices
- ✓ Determined the executive officers of the Corporation
- ✓ Evaluated the Board and Committee Charters, the Board Position Descriptions and the Charter of Director Expectations
- ✓ Reviewed and approved the Code, Personal Trading Policy, Disclosure Policy, the Investment and Capital Markets Policy and Say on Pay Policy

MANDATE

The Governance Committee oversees Brookfield's approach to corporate governance.

The Governance Committee Charter and the Governance Committee Chair's position description are available at <https://bam.brookfield.com> under "Corporate Governance."

MEMBERSHIP

Frank J. McKenna, *Chair*
Seek Ngee Huat
Diana L. Taylor

INDEPENDENCE

All members meet Board-approved independence standards which are derived from the CSA corporate governance guidelines.

The Governance Committee met two times in 2018.

This report has been adopted and approved by the members of the Governance Committee:

Frank J. McKenna, *Chair*; Seek Ngee Huat and Diana L. Taylor.

Report of the Management Resources and Compensation Committee

The following is a summary of the Compensation Committee's work during 2018, in accordance with its Charter:

Succession Planning

- ✓ Reviewed and assessed the Corporation's management resource planning program
- ✓ Reviewed and assessed senior executive performance
- ✓ Assessed senior executive succession candidates
- ✓ Reviewed the Corporation's diversity and high-potential executive development initiatives

Executive Compensation Philosophy

- ✓ Reviewed the Corporation's compensation philosophy
- ✓ Reviewed the Corporation's compensation policies related to alignment of interests between its executives and shareholders
- ✓ Assessed the alignment of interests of senior management through equity ownership with the creation of shareholder value over the long-term
- ✓ Assessed the risks associated with the Corporation's compensation approach, policies and practices

Appointment and Compensation of Senior Management

- ✓ Reviewed and approved the compensation of senior management
- ✓ Evaluated the Annual Management Incentive Plan and Long-Term Share Ownership Plans
- ✓ Reviewed and approved the (i) Annual Management Incentive Plan awards and (ii) Long-Term Share Ownership Plan awards, and reviewed the future value of payouts related to share ownership awards made to senior management assuming various performance scenarios

CEO Performance, Evaluation and Compensation

- ✓ Evaluated the CEO's performance
- ✓ Reviewed and approved the compensation of the CEO
- ✓ Reviewed the priorities for the CEO

Disclosure

- ✓ Reviewed and approved for recommendation to the Board the Report on Executive Compensation and the Report of the Compensation Committee to be included in this Circular

Other Duties and Responsibilities

- ✓ Reviewed and approved the Charter of the Compensation Committee
- ✓ Reviewed and approved the CEO position description
- ✓ Reviewed allegations of workplace misconduct reported through the Corporation's ethics hotline or otherwise, including those reported by employees of wholly-owned or controlled operating businesses

MANDATE

The Compensation Committee oversees Brookfield's management resources and compensation strategy, plans, policies and practices.

The Compensation Committee Charter and the Compensation Committee Chair's position description are available at <https://bam.brookfield.com> under "Corporate Governance."

MEMBERSHIP

Diana L. Taylor, *Chair*
Marcel R. Coutu
Maureen Kempston Darkes

The Board has restricted the criteria for membership in the Compensation Committee by requiring that not more than one-third of its members are chief executive officers of any publicly traded entity. None of the Committee members is the chief executive officer of a publicly traded entity.

INDEPENDENCE

All members meet Board-approved independence standards which are derived from the CSA corporate governance guidelines.

The Compensation Committee met two times in 2018.

This report has been adopted and approved by the members of the Compensation Committee: Diana L. Taylor, *Chair*; Marcel R. Coutu and Maureen Kempston Darkes.

Report of the Risk Management Committee

The following is a summary of the Risk Management Committee's work during 2018, in accordance with its Charter:

Risk Management

- ✓ Reviewed and considered with senior management the Corporation's risk capacity, risk taking philosophy and approach to determining an appropriate balance between risk and reward
- ✓ Reviewed and evaluated the Corporation's significant financial risk exposures, including currency, interest rate, credit, and market risks, and the steps senior management took to monitor and manage such risk exposures (through hedges, swaps, other financial instruments, and otherwise), including the management of counterparty risk, in compliance with applicable policies
- ✓ Reviewed and discussed with senior management the Corporation's significant non-financial risk exposures, including strategic, reputational, regulatory, business and operational, risks including health and safety risk, and the steps senior management took to monitor and control such risk exposures in compliance with applicable policies
- ✓ Reviewed and confirmed with senior management that material non-financial information about the Corporation and its subsidiaries that is required to be disclosed under applicable law and stock exchange rules was disclosed
- ✓ Reviewed with senior management the quality and competence of management appointed to administer risk management functions
- ✓ Reviewed with senior management the Corporation's compliance programs
- ✓ Reviewed the Corporation's insurance coverage, deductible levels, reinsurance requirements and various risk sharing protocols
- ✓ Reviewed, with legal counsel where required, such litigation, claims, tax assessments and other tax-related matters, transactions, material inquiries from regulators and governmental agencies or other contingencies which may have a material impact on financial results, the Corporation's reputation or which may otherwise adversely affect the financial well-being of the Corporation
- ✓ Reviewed and evaluated the Corporation's susceptibility to fraud and corruption and management's processes for identifying and managing the risks of fraud and corruption
- ✓ Provided oversight of cybersecurity risks, including assessing the likelihood, frequency and severity of cyber attacks and data breaches, whether from internal or external sources, and reviewed management's cybersecurity practices in the context of the Corporation's risk profile
- ✓ Considered other matters of a risk management nature as directed by the Board
- ✓ Oversaw the Corporation's reporting hotline, and reviewed allegations reported through the Corporation's ethics hotline and resolution thereof. Referred certain allegations to the Audit and Management Resource and Compensation Committee, as appropriate

Other Duties and Responsibilities

- ✓ Reviewed and recommended for approval the Charter of the Risk Management Committee
- ✓ Reviewed and approved the Corporation's Treasury and Financial Risk Management Policy
- ✓ Reviewed and approved the Corporation's Anti-Bribery and Corruption Policy and Program
- ✓ Reviewed and approved the Corporation's Tax Risk Management Policy

MANDATE

The Risk Management Committee oversees Brookfield's corporate risk management activities.

The Risk Management Committee Charter and the Risk Management Committee Chair's position description are available at <https://bam.brookfield.com> under "Corporate Governance."

MEMBERSHIP

Maureen Kempston Darkes, *Chair*
M. Elyse Allan
Murilo Ferreira
Youssef A. Nasr

INDEPENDENCE

All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines.

The Risk Management Committee met four times in 2018.

This report has been adopted and approved by the members of the Risk Management Committee: Maureen Kempston Darkes, *Chair*; M. Elyse Allan; Murilo Ferreira and Youssef A. Nasr.

PART FOUR – DIRECTOR COMPENSATION AND EQUITY OWNERSHIP

Director Compensation

Compensation Elements

The compensation program of the Board is as follows (in U.S. dollars):

Compensation Elements	Amount	Comments
Board Chair Retainer	\$500,000 ^(a)	The Chair does not receive any additional compensation for serving as the Chair of the Governance Committee.
Director Retainer ^(b)	\$200,000	
Audit Committee Chair Retainer	\$35,000	
Compensation and Risk Management Committee Chair Retainers	\$15,000	
Audit Committee Member Retainer (Non-Chair)	\$10,000	
Travel Stipend – for non-residents of the Toronto and New York City areas	\$15,000	This payment recognizes the time it takes these directors to travel long distances to attend all regularly scheduled meetings, and is in addition to reimbursement for travel and other out-of-pocket expenses.

(a) *Currently taken 100% in DSUs.*

(b) *For non-Chair and non-management directors.*

Members of management who serve as directors of the Corporation do not receive any compensation in their capacity as directors.

The Governance Committee annually reviews the compensation paid to the Chair and non-management directors, taking into account the complexity of the Corporation's operations, the risks and responsibilities involved in being a director of the Corporation, the requirement to participate in regularly scheduled and special Board meetings, expected participation on Committees of the Board and the compensation paid to directors of comparable companies. In March 2018, the Board, acting upon the recommendation of the Governance Committee, raised the Director Retainer from \$150,000 to \$200,000, effective January 1, 2018. This recommendation followed a comprehensive review of director compensation practices at comparable publicly traded companies. The increase recognized the substantial international growth of Brookfield over the past few years and acknowledged the efforts of the Board in overseeing the Corporation's increasingly complex business and affairs. All other compensation remained unchanged, including the Board Chair Retainer. In March 2019, the Board, acting upon the recommendation of the Governance Committee, made no changes to the current compensation paid to the Chair and non-management directors.

In 2018, the directors, excluding Mr. Lawson, Mr. Flatt and Mr. Blidner, collectively received annual director compensation having a total value of \$3,368,173, excluding all other compensation unrelated to Board membership. Directors' compensation was comprised of cash and other compensation of \$270,645 and DSUs of the Corporation valued at \$2,574,629, which represented approximately 17% and 83%, respectively, of total compensation paid to these directors during 2018.

Other than cash and DSU compensation set forth in the prior paragraph, no other compensation was paid to non-management directors related to their Board membership. No directors elected to receive Restricted Shares as part of their director compensation in 2018.

2018 Director Compensation

The following table sets out compensation received during 2018 by the Corporation's directors ^(a) (in U.S. dollars):

Name	Board Position	Fees Earned in Cash (\$)	Share-Based Awards (DSUs) (\$) ^(b)	All Other Compensation (\$)	Compensation Total (\$)
M. Elyse Allan		—	210,000	—	210,000
Angela F. Braly		—	225,000 ^(c)	—	225,000
Jack L. Cockwell		115,770 ^(c)	—	3,645 ^(d)	119,415
Marcel R. Coutu	Audit Committee Chair	—	250,000 ^(e)	—	250,000
Murilo Ferreira		—	215,000 ^(e)	—	215,000
Robert J. Harding		200,000	—	—	200,000
Maureen Kempston Darkes	Risk Management Committee Chair	107,500	107,500	—	215,000
David W. Kerr ^(f)		45,879	45,879	—	91,758
Frank J. McKenna ^(g)	Board Chair and Governance Committee Chair	—	500,000	—	500,000
Rafael Miranda ^(h)		—	215,000 ^(e)	—	215,000
Youssef A. Nasr		53,750	161,250 ^(e)	—	215,000
Lord O'Donnell		—	215,000 ^(e)	267,000 ⁽ⁱ⁾	482,000
Seek Ngee Huat		—	215,000 ^(e)	—	215,000
Diana L. Taylor	Compensation Committee Chair	—	215,000	—	215,000
Total		\$ 522,899	\$ 2,574,629	\$ 270,645	\$ 3,368,17

(a) Mr. Lawson, Mr. Flatt and Mr. Blidner do not receive any compensation in their capacity as directors of the Corporation or for any other board that they sit on for the Corporation. For Mr. Flatt's compensation as CEO, see pages 47 and 61 to 63 of this Circular.

(b) The value of each DSU is equal to the closing price of a Class A Share on the NYSE on the grant date of the DSU.

(c) Mr. Cockwell received C\$150,000 for director services to the Corporation in 2018 because his compensation is paid in Canadian dollars during the year through the Corporation's payroll system.

(d) Mr. Cockwell received health benefits under the Corporation's health plan.

(e) Includes travel stipend to eligible directors of \$15,000.

(f) Mr. Kerr served on the Board until June 15, 2018 and received fees until such date.

(g) Mr. McKenna received an annual retainer of \$500,000 in 2018. He does not receive any additional compensation for serving as the Governance Committee Chair.

(h) Mr. Miranda received Audit Committee member fees from June 15, 2018 onwards.

(i) Lord O'Donnell has entered into an advisory relationship with the Corporation in respect of its European operations for an annual fee of £200,000. In 2018, under this arrangement Lord O'Donnell received fees of \$267,000 (£200,000 converted to U.S. dollars at the average exchange rate for 2018 of £1.00 = US\$1.3350 as reported by Bloomberg).

Directors are also reimbursed for travel and other out-of-pocket expenses incurred to attend Board or Committee meetings. During 2018, the directors, excluding Mr. Lawson, Mr. Flatt and Mr. Blidner, received an aggregate of \$180,382 for reimbursement of such expenses.

The following tables set out information relating to options and other share-based awards granted to directors, excluding Mr. Lawson, Mr. Flatt and Mr. Blidner, whose awards relate to their roles as executive officers of the Corporation and are disclosed under "Compensation of Named Executive Officers" beginning on page 61 of this Circular.

Outstanding Share-Based Awards as at December 31, 2018 (Management directors excluded)

Name	Share-Based Awards ^(a)			
	Deferred Share Units (DSUs)			
	Number of Unvested DSUs (#)	Market Value of Unvested DSUs (\$) ^(b)	Number of Vested DSUs (#)	Market Value of Vested DSUs (\$) ^(b)
M. Elyse Allan	—	—	14,637	561,329
Angela F. Braly	—	—	19,254	738,376
Jack L. Cockwell	—	—	717,811	27,528,038
Marcel R. Coutu	—	—	51,531	1,976,216
Murilo Ferreira	—	—	7,550	289,528
Robert J. Harding	—	—	640,785	24,574,123
Maureen Kempston Darkes	—	—	55,421	2,125,401
David W. Kerr	—	—	30,680	1,176,587
Frank J. McKenna	—	—	170,819	6,550,907
Rafael Miranda	—	—	7,550	289,528
Youssef A. Nasr	—	—	27,642	1,060,080
Lord O'Donnell	—	—	30,021	1,151,308
Seek Ngee Huat	—	—	33,586	1,288,012
Diana L. Taylor ^(c)	—	—	36,300	1,392,099

(a) Non-management directors only have Deferred Shares Units (DSUs) outstanding and no Options or Restricted Share Units (RSUs) outstanding, other than Mr. Cockwell who has RSUs outstanding as shown in the table below.

(b) The market value is based on the closing price of a Class A Share on the TSX on December 31, 2018 of \$38.36 (C\$52.32 converted into U.S. dollars at the Bloomberg mid-market exchange rate on that date of C\$1.00 = US\$0.7331) and on the NYSE on December 31, 2018 of \$38.35, as applicable.

(c) Excludes the market value of vested DSUs of Brookfield Property Partners L.P. of \$740,204.

Outstanding Restricted Share Units as at December 31, 2018

Name	Restricted Share Units (RSUs) ^(a)		
	Number of Restricted Share Units (#)	Issuance Price ^(b) (\$)	Market Value as at December 31, 2018 ^(c) (\$)
Jack L. Cockwell	84,375	4.32	2,872,522
	574,817	6.53	18,295,055
	405,000	9.98	11,494,352
	1,064,192		32,661,929

(a) RSUs are not redeemable until cessation of employment and have no expiration date.

(b) The RSU issuance price is in Canadian dollars and is presented in the table converted into U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2018 of C\$1.00 = US\$0.7331.

(c) The market value is the amount by which the closing price of the Corporation's Class A Shares on December 31, 2018 exceeded the issuance price of the RSU award. The closing price of a Class A Share on the TSX on December 31, 2018 was \$38.36 (C\$52.32 converted into U.S. dollars at the Bloomberg mid-market exchange rate on that date of C\$1.00 = 0.7331).

Equity Ownership of Directors

Director Share and DSU Ownership Requirements

The Board believes that its directors can better represent the Corporation's shareholders if they have aligned economic exposure. Accordingly, directors are required to hold Class A Shares, DSUs and/or Restricted Shares of the Corporation having a value of at least three times their Annual Retainer. This minimum ownership requirement is currently \$600,000 for non-management directors and \$1,500,000 for the Chair (the minimum ownership requirement for non-management directors, excluding the Chair, increased from \$450,000 in 2017). A director must achieve this minimum ownership requirement within five years of joining the Board.

All independent directors are required to receive at least 25% of their Annual Retainer in DSUs (see "Long-Term Share Ownership Plans" on pages 52 to 53 of this Circular). Independent directors who have not reached the minimum ownership requirement are required to receive at least 50% of their Annual Retainer in DSUs. Subject to these requirements, all non-management directors have the option of electing to receive their Annual Retainer in DSUs, Restricted Shares or cash.

As at April 29, 2019, all of the proposed nominees for election to the Board who are required to meet the ownership requirement have done so. Overall, nine of the 13 non-management nominees for election to the Board have already surpassed the ownership threshold. The following director nominees, who have all joined the Board within the last five years as noted below, each take 100% of their Annual Retainer in DSUs and are on track to fulfill their ownership requirement within the 5-year time frame:

Director	Date Joined the Board	Ownership Deadline
Murilo Ferreira	June 16, 2017	June 16, 2022
Rafael Miranda	June 16, 2017	June 16, 2022

Directors who are not members of management may not be awarded options.

Anti-Hedging Policy

In order to maintain the alignment of interests between the Corporation and its directors, the Corporation generally prohibits all directors, including management and affiliated directors, from using derivatives or other financial instruments to retain legal ownership of their shares or share units in the Corporation while reducing their exposure to changes in the Corporation's share price. Moreover, a director may not hold a short position in any security of the Corporation or its affiliates, either by way of a short sale or by utilizing derivatives. This allows shareholders to determine a director's true economic exposure to the Corporation's equity. Under limited circumstances, a director may be permitted to enter into a transaction that has the effect of hedging the economic value of any direct or indirect interests held by the such director, but only to the extent that the transaction (i) is executed and disclosed in full compliance with all applicable rules and regulations; (ii) has been approved by the CEO and CFO and, if appropriate, the Compensation Committee; and (iii) is in respect of interests directly or indirectly held by such director in excess of the interests that such director is required to hold under the Share Ownership Guidelines. To date, no director has hedged the economic value of their direct or indirect interests in the Corporation.

Equity Ownership of Directors

The following table sets out the total number of Class A Shares, pro rata interest in Class A Shares and DSUs held by the 16 proposed nominees for election to the Board at the meeting. See pages 9 to 16 of this Circular for information on the individual equity ownership of the director nominees.

Holdings As at April 29, 2019 (millions)	Class A Shares (#)	DSUs (#)	Total Class A Shares, Pro Rata Interest in Class A Shares & DSUs (#)
Total	95.6	4.8	100.4

(a) Includes (i) the directors' pro rata interests in Class A Shares held by Partners Limited and PVI (on a consolidated basis) and (ii) the directors' Escrowed Shares, which also represent an indirect pro rata interest in Class A Shares. The value of these indirect pro rata interests is impacted by a number of factors including the terms of their ownership, the capital structure of each company, the value of the Class A Shares held by each company and their net liabilities and preferred share obligations.

PART FIVE – COMPENSATION DISCUSSION AND ANALYSIS

Executive Overview

The Compensation Discussion and Analysis (“CDA”) provides a detailed description of the Corporation’s executive compensation philosophy and programs, the decisions the Compensation Committee has made under these programs, as well as the factors they considered in making such decisions.

The Corporation’s operations are organized into five operating business groups. These business groups include real estate, infrastructure, renewable power, private equity and public securities. Certain executives who: (i) have responsibility for overall corporate activity; (ii) are in charge of one of the Corporation’s principal business units, divisions or functions; or (iii) perform a similar policy making function for the Corporation are executive officers of the Corporation (“Executive Officers”). There are eight Executive Officers.

The Corporation’s compensation philosophy described in the CDA is applicable for all corporate executives; however, the focus is on the compensation of our Named Executive Officers for 2018 who were:

Named Executive Officer	Position
J. Bruce Flatt	Managing Partner and CEO
Brian D. Lawson	Managing Partner and CFO
Brian W. Kingston	Managing Partner
Cyrus Madon	Managing Partner
Samuel J.B. Pollock	Managing Partner

The Compensation Committee approves the compensation for the Named Executive Officers and the other three Executive Officers of the Corporation.

The Board has charged the Executive Officers with building a global asset management business focused on long-term sustainable growth in cash flows. The following table outlines the key business accomplishments for 2018:

2018 Business Achievements

- Expanded our asset management activities
 - Increased fee-bearing capital^(a) by 10% to approximately \$137.5 billion, contributing to a 17% increase in fee revenues from the prior year, excluding performance fees
 - Generated \$600 million of unrealized carried interest^(a) on third party capital across our private funds
 - As at December 31, 2018, we had total uncalled private fund commitments of \$23.6 billion
- Invested \$29.7 billion of capital during the year across our business groups, which included \$9.8 billion of private fund capital and co-investments, \$18.7 billion from listed partnerships and \$1.1 billion of direct investments
 - Investments included GGP retail mall portfolio, Forest City realty portfolio, a residential energy infrastructure provider, a infrastructure services company, natural gas midstream transportation assets, a Spanish renewable power business and a portfolio of global commercial and hospitality properties
- Increased funds from operations (“FFO”)^(a) by 16% to \$4.4 billion; Net income for 2018 increased to \$7.5 billion, with \$3.6 billion attributable to common shareholders (\$3.40 per share) and \$3.9 billion to attributable to non-controlling interests
 - Increased FFO prior to disposition gains to \$2.9 billion, reflecting growth in fee-based revenues, contributions from recent acquisitions and organic growth across our portfolio
 - Continued to sell mature assets at attractive valuations, realizing \$1.5 billion of disposition gains
 - Generated net income attributable to common shareholders of \$3.6 billion or \$3.40 per share, reflecting contributions from new business acquired during the year, fair value gains related to our investment properties and various transaction-related gains and recognition of a deferred income tax recovery

(a) See pages 108 to 113 of the Annual Report for further information on the non-IFRS measures “Fee-bearing capital”, “unrealized carried interest” and “Funds From Operations”.

Compensation Governance

The Compensation Committee establishes compensation programs that incorporate leading compensation governance principles. Highlighted below are some of the Corporation's executive compensation policies and practices that are designed to (i) encourage executives to consider the risks associated with their decisions, (ii) minimize the risk that executives are rewarded in the short-term for actions which are detrimental in the long-term, and (iii) reinforce the alignment of the interests of management with the long-term interests of shareholders.

The following table outlines the Corporation's policies and practices which incorporate leading compensation governance principles:

Policies and Practices:

- ✓ Require senior management to own a significant interest in the Corporation
- ✓ Require Executive Officers to hold for at least one year, an interest in Class A Shares equal to the net proceeds realized on exercise of options
- ✓ Provide for reimbursement of incentive and equity-based compensation in the event of restatements or detrimental conduct
- ✓ Require long-term incentives to vest over five years
- ✓ Termination provisions generally require departing executives to forfeit unvested awards
- ✓ Do not provide defined benefit pension plans for any executives
- ✓ Do not allow hedging of shares or share-based incentives

Aligning Pay with Performance

On average, approximately 81% of the value of compensation awarded to our Named Executive Officers is in the form of long-term incentive awards. The actual value of this compensation, which is earned over time, depends upon the performance of the Corporation's Class A Shares.

Ratio of Named Executive Officer Compensation to Funds from Operations

The following table illustrates the total compensation awarded to the Named Executive Officers as a percentage of FFO:

	2018	2017	2016
Aggregate Named Executive Officer Compensation ^(a)	\$16,459,958	\$28,008,596	\$18,988,595
As a Percentage of FFO ^(b)	0.4%	0.7%	0.6%

(a) Aggregate Named Executive Officer Compensation is defined as the Total Compensation as it appears in the Summary Compensation Table on page 61 of this Circular.

(b) FFO totalled \$4.401, \$3.810 billion and \$3.237 billion in 2018, 2017 and 2016, respectively (see pages 108 to 113 of the Annual Report for further information on the non-IFRS measure "Funds From Operations").

Five Year Compensation Review – Chief Executive Officer

In fiscal years 2014 through 2018 inclusive, Mr. Flatt received a Base Salary of \$3.3 million in aggregate. Base salary is the only cash compensation awarded to Mr. Flatt during that period.

Participation in the Corporation's long-term share ownership plans, which are based on the performance of the Corporation's Class A Shares, represented 88% of the value of the total compensation awarded to Mr. Flatt over the last five years.

The following table sets out the actual value of the total compensation awarded to Mr. Flatt over the last five years based on the value of a Class A Share as at December 31, 2018. Performance of the Class A Shares over the last five years on the TSX and NYSE can be found on page 60 of this Circular.

Total Cumulative Chief Executive Officer Compensation for Fiscal Years 2014 – 2018

	Total Compensation Fiscal Years 2014 – 2018 (\$)
Cash Compensation	
Base Salary	3,300,000
Cash Incentive Paid	—
Total Cash Compensation	3,300,000
Long-Term Share Ownership Plan Awards ^(a):	
Value upon Award ^(b)	25,609,291
Market Appreciation ^(c)	<u>(3,689,459)</u>
DSUs and Escrowed Shares ^(a)	21,919,832
Benefits and Perquisites	
Other Compensation ^(d)	135,674
Total Cumulative Compensation 2014 – 2018	25,355,506
Intended Annual Compensation (average, excluding market appreciation)	5,808,993
Actual Annual Compensation (average, including market appreciation)	5,071,103

(a) These values include DSUs and Escrowed Shares granted during the five-year period from January 1, 2014 to December 31, 2018 of Mr. Flatt's tenure as CEO. DSUs are not redeemable until retirement.

(b) The value of the DSUs are calculated based on the closing price of a Class A Share on the effective date of the award. The value of the Escrowed Shares is based on the stock market price of the Class A Shares at the time of the award and considers the potential increase in value based on a hold of 7.5 years, and the volatility, risk free rate and dividend growth rate at the time of the award.

(c) The market appreciation for the DSUs is calculated as (i) the value of the DSUs (including the additional DSUs received under the dividend reinvestment program) using the closing price of a Class A Share on the TSX on December 31, 2018 of \$38.36 (C\$52.32 converted into U.S. dollars at the Bloomberg mid-market exchange rate on that day of C\$1.00 = US\$0.7331) or on the NYSE on December 31, 2018 of \$38.35, as applicable, less (ii) the Value upon Award as described in note (c) above. The market appreciation for the Escrowed Shares is calculated as (i) the value of the Class A Shares held by the Escrowed Company less the net liabilities and preferred share obligations of the Escrowed Company on the date of the award less (ii) the value of the Escrowed Shares on the date of the Award as described in note (c) above.

(d) Other compensation paid in the financial year includes RRSP contributions in 2014 to 2016 and contributions under the UK plan in 2017 and 2018. The value has been converted from C\$ using the average Bloomberg exchange rate for that year, where applicable.

Chief Executive Officer Ownership Interests in the Corporation

Consistent with the Corporation's philosophy of aligning the interests of management and shareholders and fostering an entrepreneurial environment that encourages a focus on long-term value creation, Mr. Flatt has, over his 29 years with the Corporation, accumulated a number of ownership interests in the Corporation in the form of DSUs, RSUs, Restricted Shares and Escrowed Shares. In addition, and separate from any compensation arrangements, but relevant to the extent it aligns Mr. Flatt's interests with shareholders, Mr. Flatt owns a number of Class A Shares of the Corporation. These ownership interests are held both directly, as shown on page 15 of this Circular, and through pro rata interests in Class A Shares largely owned through Partners Limited and PVI (see "Principal Holders of Voting Shares" on page 5 of this Circular).

Compensation Philosophy

Our compensation arrangements are designed to:

- attract and retain highly qualified and motivated executives who have confidence in, and are committed to, the Corporation's overall business strategy and who are able and willing to create long-term shareholder value;
- encourage long-term decision-making with a focus on capital preservation and risk adjusted returns;
- foster an environment of teamwork and co-operation;
- reward consistent performance over the longer term; and
- be transparent to the employees and shareholders of the Corporation.

The Corporation's compensation arrangements align management's interests with those of the Corporation's shareholders.

Management, officers and directors of the Corporation and its affiliates hold direct, indirect and economic interests in approximately 210 million Class A Shares and share equivalents of the Corporation, representing an approximate 20% common equity interest.

The goal is to align management's interests with those of the Corporation's shareholders. This is achieved by basing the most significant portion of management's rewards, and therefore the opportunity for personal wealth creation, on the value of the Corporation's shares.

While these are the objectives for compensation arrangements for all executives, the actual arrangements may differ between executives with broader corporate responsibilities and those who operate within specific business units. For example, executives in dedicated fund management groups may have compensation arrangements that also include a component more directly linked to the long-term performance of the fund being managed. However, the payments made under such plans are directly related to the value created for the fund's investors which will, in turn, benefit the Corporation. The timing of these payments to executives who are dedicated to a fund are therefore delayed until the funds' performance is substantially realized and risk outcomes are determined. The principles of rewarding risk management and value creation over the long-term, however, remain consistent across each of our businesses. Unless specifically noted otherwise, the remainder of the discussion in this report focuses on the Named Executive Officers but also pertains to executives of the Corporation who have corporate responsibilities.

In order to achieve the objectives set out above, executives receive a substantial portion of their compensation in awards under the Long-Term Share Ownership Plans described on pages 52 to 53 of this Circular which:

- reinforces the focus on long-term value creation;
- aligns the interests of executives with other shareholders of the Corporation; and
- encourages management to follow a rigorous forward-looking risk assessment process when making business decisions.

The emphasis on equity compensation, which has long-term vesting and retention requirements, ensures that our executives make decisions and take risks in a manner that aligns with the long-term interests of shareholders.

Elements of Compensation

During the past five years, total compensation for the Named Executive Officers has been comprised of approximately 12% Base Salary, 4% Annual Management Incentive Plan awards and 77% Long-Term Share Ownership Plan awards.

Total compensation for executives with corporate responsibilities is comprised of three elements: Base Salary, Annual Management Incentive Plan awards (“cash bonus”) and participation in the Corporation’s Long-Term Share Ownership Plans. Total annual compensation awarded to the Named Executive Officers and other senior executives generally does not change significantly from year to year. However, from time to time, the Compensation Committee grants special awards to executives who have taken on additional responsibilities and/or as a way to periodically recognize executives who have consistently performed at an exceptional level. These special awards are typically made in the form of participation in a Long-Term Share Ownership Plan. These special awards assist the Corporation in retaining key employees who have the potential to add value to the Corporation over the longer term.

Total compensation for executives who are at earlier stages in their careers also includes awards pursuant to the Corporation’s Long-Term Share Ownership Plans but a larger percentage of their total compensation is in the form of Base Salary and cash bonus awards in recognition of their personal needs and to be competitive within the alternative asset management industry. Furthermore, changes in total compensation from year to year may vary more for these executives as they take on increasing responsibility.

As executives progress within the Corporation, they have the opportunity to receive their annual bonus in DSUs under the Corporation’s Deferred Share Unit Plan (as defined on page 52 of this Circular) or Restricted Shares under the Corporation’s Restricted Stock Plan. This enables executives to increase their ownership interest in the Corporation over time.

Named Executive Officer Compensation Mix ^(a)

The compensation mix for the Named Executive Officers is set out in the table below.

	Base Salary	Annual Management Incentive		Long-Term Share Ownership	Percentage of Compensation at Risk
		Cash Bonus	DSUs / Restricted Shares		
2018					
Chief Executive Officer	15%	0%	0%	85%	85%
Other Named Executive Officers	15%	4%	7%	74%	81%
Five Years (2014 – 2018)					
Chief Executive Officer	12%	0%	6%	82%	88%
Other Named Executive Officers	12%	5%	7%	76%	83%

(a) The Base Salary and cash bonus paid in each financial year were converted from C\$ using the average Bloomberg exchange rate each year, where applicable.

Overview of Compensation

Element	Purpose	How Determined
<p>Base Salary</p>	<ul style="list-style-type: none"> • Deliver the only form of fixed compensation • CEO Base Salary is similar to other Executive Officers, subject to cost of living differentials between employment locations • Not intended to be the most significant component of an executive’s compensation 	<ul style="list-style-type: none"> • Base Salaries for senior and other executives are reviewed annually to reflect the relative experience and contribution of each executive
<p>Annual Management Incentive Plan (Bonus)</p> <p>Maximum target annual incentive is 100% of Base Salary (There is a detailed description of the plan on page 51 and 2018 awards are described on pages 56 to 57 of this Circular)</p>	<ul style="list-style-type: none"> • Motivate and reward participants for achieving annual business objectives and for making decisions and taking actions consistent with the Corporation’s long-term focus • Foster a team-based approach to meeting long-term objectives • Not intended to be the most significant component of an executive’s compensation • Executives may elect to take bonuses in the form of DSUs or Restricted Shares 	<ul style="list-style-type: none"> • Annual cash bonuses are discretionary, based on individual, team and corporate performance • Awards are based on performance and consider the specific operational and individual annual performance targets, but are not formulaic
<p>Long-Term Share Ownership Plans</p> <p>(There is a detailed description of each of the plans, including 2018 awards, on pages 52 to 53 of this Circular)</p>	<ul style="list-style-type: none"> • Align the executive’s interests with those of the Corporation’s shareholders • Foster a team-based approach to meeting long-term objectives • Enable participants to create personal wealth through an increase in the value of the Corporation’s shares • Motivate executives to improve the Corporation’s long-term financial success • Intended to be the most significant component of an executive’s compensation 	<ul style="list-style-type: none"> • The Corporation currently operates three Long-Term Share Ownership Plans and executives receive their long-term incentive awards in one of the following Plans: <ol style="list-style-type: none"> 1. Management Share Option Plans (“MSOPs”) 2. Deferred Share Unit Plans 3. Restricted Stock Plans <ul style="list-style-type: none"> - Restricted Stock Plan - Escrowed Stock Plan • Annual participation in each plan is dependent on the business unit and the level of the executive • Named Executive Officers receive their long-term incentive award in the form of Escrowed Shares under the Escrowed Stock Plan
<p>Group Benefits</p> <p>Health Insurance</p> <p>Retirement Savings Plan</p>	<ul style="list-style-type: none"> • Provide health and dental benefits and life and disability insurance coverage • Provide tax deferred retirement savings 	<ul style="list-style-type: none"> • All employees, including the Named Executive Officers, are eligible to participate in health, dental and insurance plans which vary by location • All employees, including the Named Executive Officers are eligible to receive an annual contribution to a registered retirement savings plan equivalent to a nominal percentage of Base Salary based on local market practice. The percentage is the same for all executives • There are no defined benefit pension plans in place for the Named Executive Officers or any other executive

Incentive Plan Overview

Annual Management Incentive Plan (Bonus)

The Corporation believes that, given its focus on the long-term when making decisions, the impact of which is difficult to assess in the short-term, a heavy emphasis on annual incentives and a formulaic calculation of awards based on the achievement of annual operational or individual performance targets may not appropriately reflect decisions that are fully aligned with the long-term strategy of the Corporation. Accordingly, the Bonus typically represents less than 15% of an Executive Officer's total compensation.

The Compensation Committee believes that its ability to exercise discretion and judgment is critical to ensuring that annual incentives reflect the assessment of risk in the decisions and actions taken by management and consider unexpected circumstances or events that have occurred during the year. Accordingly, for the Executive Officers, including the Named Executive Officers, the Compensation Committee starts with a review of the management team's collective performance in meeting the broader business plan objectives. These objectives include both short-term operational goals and objectives related to the implementation of the long-term business strategy. Given the emphasis on long-term value creation, it is not unusual for some of the objectives set at the beginning of the year to change during the year. Each year, the Compensation Committee reviews:

- the accomplishments during the year;
- why certain objectives were not met or certain actions were not undertaken; and
- additional initiatives undertaken by management, which were not contemplated in the initial objectives.

Accordingly, annual incentive awards are determined based on the Compensation Committee's:

- assessment of management's decisions and actions and how those decisions and actions align with the Corporation's long-term strategy of value creation and how management considered the risks associated with such decisions; and
- determination of whether any objectives were not met because management made decisions in the best long-term interests of the Corporation or due to factors outside of management's control.

In 2017, the Compensation Committee approved an amendment to Mr. Flatt's compensation structure which eliminated Mr. Flatt's Bonus and incorporated this value into his long-term incentive award, further reinforcing a focus on long-term decision-making. In addition, given the Corporation's view that a team-based approach is fundamental to meeting its long-term objectives, the Bonus awards for the Named Executive Officers tend to be similar in amount and typically do not fluctuate significantly from year to year.

For other executives, the incentive award is based more on the performance of the individual executive (as measured by the achievement of specific objectives) and less on collective performance.

Long-Term Share Ownership Awards

The Corporation's long-term share ownership plans are intended to:

- Encourage share ownership;
- Increase executives' interest in the success of the Corporation;
- Encourage executives to remain with the Corporation as a result of the delayed vesting of awards; and
- Attract new members of management by remaining competitive in terms of total compensation arrangements.

The Corporation has three types of Long-Term Share Ownership Plans. Awards are made under the following plans:

Award	Key Terms	Basis for Award
Option Plan		
2009, 2012 and 2016 Management Share Option Plans (collectively, the “MSOPs”) ^(a)		
Options to purchase Class A Shares (“options”) which are settled in Class A Shares	<ul style="list-style-type: none"> • 10 year term • Each award vests 20% per year over five years in arrears • No entitlement to dividends • Exercise price based on: <ul style="list-style-type: none"> (i) the closing price of a Class A Share on the last trading day prior to the award or (ii) the volume-weighted average price of a Class A Share for the five business days following the end of the blackout period, if the award is made during a blackout period 	<ul style="list-style-type: none"> • Generally granted in the first quarter of each year as part of the annual compensation review ^(b): <ul style="list-style-type: none"> • Number of options is determined based on executive’s level of responsibility and performance • Consideration is given to the number and value of previous option awards • Also granted: <ul style="list-style-type: none"> • From time to time as special awards to executives who have demonstrated an ability to take on additional responsibility or who have consistently performed at a high level • In certain circumstances, to executives commencing employment with the Corporation • The CEO recommends all awards to the Compensation Committee • The Compensation Committee recommends the award for the CEO • The Board, at the recommendation of the Compensation Committee, approves all awards
The MSOPs are administered by the Board and described in detail under “Security-Based Compensation Arrangements” on pages 64 to 69 of this Circular		

2018 Awards

In 2018, the Corporation granted a total of 4,538,030 options under the MSOPs, representing approximately 0.5% of the Corporation’s Class A Shares on a fully diluted basis (0.6% in 2017 and 0.5% in 2016).

In total during 2018, 4.5 million options with an aggregate in-the-money value of \$112.0 million were disposed of or exercised. The options disposed of or exercised during 2018 by the Named Executive Officers, other Executive Officers and senior members of the Corporation were outstanding for approximately eight years on average. The length of time options are held by executives demonstrates an alignment of interests with shareholders.

The Deferred Share Unit Plan (“DSUP”)

Deferred Share Unit Plan		
Settled by a cash payment equal to the value of the Corporation’s Class A Shares	<ul style="list-style-type: none"> • Vesting period over five years in arrears • DSUs awarded in lieu of an annual cash bonus vest immediately • Only redeemed for cash upon cessation of employment through retirement, resignation, termination or death • Dividends are received in the form of additional DSUs 	<ul style="list-style-type: none"> • Annual cash bonus taken in the form of DSUs at the executive’s election • A mandatory deferral of a cash bonus in certain businesses • Special awards are also granted to executives who have demonstrated an ability to take on additional responsibility or who have consistently performed at a high level

2018 Awards

In 2018, the Corporation awarded a total of 213,718 DSUs in lieu of cash bonuses.

Award	Key Terms	Basis for Award
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Restricted Stock Plans

Restricted Stock Plan

Class A Shares purchased on the open market subject to certain restrictions (“Restricted Shares”)

- Vesting period over five years
- Restricted Shares awarded in lieu of an annual cash bonus vest immediately
- Vested and unvested Restricted Shares must be held until the vesting date (or in certain jurisdictions, until the fifth anniversary of the award date)
- Dividends are received in the form of cash, unless otherwise elected

- Annual cash bonus taken in the form of Restricted Shares at the executive’s election
- A mandatory deferral of a cash bonus in certain businesses
- Special awards are also granted to executives who have demonstrated an ability to take on additional responsibility or who have consistently performed at a high level
- Occasionally awarded as long-term incentives

2018 Awards

In respect of 2018, the Corporation granted a total of 583,145 Restricted Shares.

Escrowed Stock Plan

Non-Voting common shares (“Escrowed Shares”) of one or more private companies (each, an “Escrowed Company”). Each Escrowed Company is capitalized with common shares and preferred shares issued to the Corporation for cash proceeds. Each Escrowed Company uses its cash resources to directly or indirectly purchase Class A Shares of the Corporation on the open market. Regular dividends paid to each Escrowed Company on the Class A Shares acquired by the Escrowed Company will be used to pay dividends on the preferred shares which are held by the Corporation.

- Typically vest 20% each year commencing on the first anniversary of the date of the award
- Must generally be held until the fifth anniversary of the award date
- Right to exchange Escrowed Shares for Class A Shares issued from treasury no later than the 10th anniversary of the award date
- The Class A Shares acquired by an Escrowed Company will not be voted
- The Class A Shares acquired by the Escrowed Companies are purchased in the open market, thereby limiting dilution for shareholders

- Generally awarded in the first quarter of each year as part of the annual compensation review and only to the Executive Officers and certain senior management ^(b)
- The CEO recommends all awards to the Compensation Committee
- The Compensation Committee recommends the award for the CEO
- The Board, at the recommendation of the Compensation Committee, approves all awards

2018 Awards

In 2018, the Corporation granted a total of 5.8 million Escrowed Shares and 3,217,570 Class A Shares were issued under the Escrowed Stock Plan.

- (a) In certain jurisdictions outside of North America, options are awarded under the Global Management Option Plan (“GMOP”). The terms and conditions of this plan are identical to the MSOPs with the exception that these options are settled by a cash payment equal to the increase in the value of the Corporation’s Class A Shares. In 2018, 1,730 options were granted under the GMOP, and there were 1,230,250 options exercised thereunder.
- (b) For corporate executives, the annual long-term incentive award is typically in the form of options, Escrowed Shares or occasionally Restricted Shares. The number of options, Escrowed Shares or Restricted Shares awarded is dependent on the executive’s annual target (the “Target”). The Target is a function of the executive’s role, level and contribution. Accordingly, an individual’s Target typically increases over time. The number of options or Escrowed Shares awarded to an executive is calculated as (i) the Target divided by (ii) the price of the Class A Share at the time the award is determined. In certain circumstances, awards in excess of the Target are granted to executives who have taken on additional responsibility, or who have consistently performed at a high level.

Termination and Change of Control Provisions

As a general practice, the Corporation does not provide contractual termination or post-termination payments or change of control arrangements to employees. Specifically, the Corporation has not entered into contractual termination, post-termination or change of control arrangements, employment contracts or golden parachutes with any of its Named Executive Officers.

The following table provides a summary of the termination provisions in the Corporation's Long-Term Share Ownership Plans. No incremental entitlements are triggered by termination, resignation, retirement or a change in control. Any exceptions to these provisions are approved on an individual basis at the time of cessation of employment. Exceptions are approved by the Chair of the Compensation Committee or the Board, depending on the circumstances.

Long-Term Share Ownership Plan Termination Provisions ^(a)

Termination Event	DSUs	Options	Restricted Shares / Escrowed Shares
Retirement (as determined at the discretion of the Board)	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Vesting ceases on retirement. Vested options are exercisable until their expiration date. Unvested options are cancelled.	Vested shares are redeemable on the day employment terminates, subject to the hold period. Unvested shares are forfeited.
Termination Without Cause	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Upon the date of termination, unvested options are cancelled and vested options continue to be exercisable for 60 days ^(b) from the termination date, after which unexercised options are cancelled immediately.	Vested shares are redeemable on the day employment terminates, subject to the hold period. Unvested shares are forfeited.
Termination With Cause	Upon date of termination, all unvested and vested units are forfeited, with the exception of DSUs awarded as a result of a participant's election to take their annual bonus in the form of DSUs.	Upon date of termination, all vested and unvested options are cancelled.	Upon date of termination, all vested and unvested shares are forfeited.
Resignation	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Upon date of termination, all vested and unvested options are cancelled.	Vested shares are redeemable on the day employment terminates, and remain subject to the hold period. Unvested shares are forfeited.
Death	Vested units are redeemable on the date of death. Unvested units are forfeited.	Options continue to vest and are exercisable for six months following date of death ^(b) after which all unexercised options are cancelled immediately.	Vested shares are redeemable on the date of death, and remain subject to the hold period. Unvested shares are forfeited.

(a) This table represents a summary of the termination provisions in the Long-Term Share Ownership Plans provided by the Corporation and should not be construed as the complete terms.

(b) Up to but not beyond the expiry date of options.

Incentive and Equity-Based Compensation Policies and Guidelines

The Corporation has established a number of policies and guidelines in order to reinforce the importance of equity ownership over the long-term. Details of these policies and guidelines follow.

Share Ownership Guidelines

The eight Executive Officers, which includes the Named Executive Officers, are required to hold Class A Shares, DSUs, Restricted Shares or other equity securities that own underlying Class A Shares with a value equal to five times Base Salary, based on the market value of the securities held, and which must be attained within five years of being designated as Executive Officers. As at April 29, 2019, seven Executive Officers, including all of the Named Executive Officers, met the share ownership requirement. The remaining Executive Officer is on track to fulfill the ownership requirement by March 20, 2023, within five years of becoming an Executive Officer.

Option Exercise Hold Periods During and Post-Employment

In order to minimize any possibility of executives opportunistically exercising options and selling the securities received at an inappropriate time, and to require share ownership post-employment, Executive Officers are required to continue to hold, for at least one year, interest in Class A Shares equal to any net after-tax cash proceeds realized from the exercise of options.

Reimbursement of Incentive and Equity-Based Compensation (Clawback)

The Executive Officers may be required to pay to the Corporation an amount equal to some or all of any incentive or equity-based compensation and the profits realized from the sale of securities of the Corporation in the event of a significant restatement of the financial statements or if they engage in conduct which the Board determines is materially detrimental to the Corporation. The amount, if any, will be determined by the Compensation Committee which will recommend appropriate action to the Board and will take appropriate steps to ensure the amount is recovered. In the case of a significant restatement of financial results, the CEO and the CFO may be required to make such a payment regardless of whether the restatement was required as a result of any misconduct. In order to protect the Corporation's reputation and competitive ability, the Executive Officers may be required to make such a payment if they engage in conduct that is materially detrimental to the Corporation during or after the cessation of their employment with the Corporation. Detrimental conduct includes fraud, theft and embezzlement. It also includes activities following the executive's departure; for example, participating in transactions involving the Corporation and its clients which were underway or contemplated at the time of termination, soliciting clients or employees, disclosing confidential information or making inappropriate or defamatory comments about the Corporation or its clients. This policy relates to any compensation or benefits received in the period two years prior to the event giving rise to the claim and includes both monetary payments and shares or cash received from the exercise of options or the redemption of any other awards received under the Corporation's Long-Term Share Ownership Plans. This includes all plans under which awards are currently being made (DSUs, Escrowed Shares and Restricted Shares) or any plans which are no longer operating but still have outstanding awards (RSUs).

Hedging of Economic Risks for Personal Equity Ownership

All executives are prohibited from entering into transactions that have the effect of hedging the economic value of any direct or indirect interests by the executive in Class A Shares, including their participation in Long-Term Share Ownership Plans. Under limited circumstances, an executive may be permitted to enter into a transaction that has the effect of hedging the economic value of any direct or indirect interests held by such executive, but only to the extent that the transaction (i) is executed and disclosed in full compliance with all applicable rules and regulations; (ii) has been approved by the CEO and CFO and, if appropriate, the Compensation Committee; and (iii) is in respect of interests directly or indirectly held by such individual in excess of the interests that such individual is required to hold under the Share Ownership Guidelines. To date, no executive has hedged the economic value of their direct or indirect interests in the Corporation.

2018 Compensation Decisions

The Board has charged Mr. Flatt and his management team to expand the global asset management business in a manner consistent with the creation of shareholder value over the long term. Mr. Flatt's personal performance, as well as the performance of the Executive Officers, is reviewed each year by the Board and the Compensation Committee in relation to operational results, the achievement of other objectives set out at the beginning of the year related to the implementation of the long-term business strategy and other accomplishments.

Each year, the CEO presents an annual business plan to the Board. The plan incorporates both short-term and long-term growth objectives. This annual business plan sets out the strategic direction of the Corporation, together with specific operational targets and

objectives related to the implementation of the Corporation’s long-term business strategy. The targets and objectives are aggressive and, given the opportunistic and entrepreneurial nature of the organization, provide the Board with examples of various transactions and initiatives that management believes will create shareholder value over the long-term.

Mr. Flatt’s personal performance, as well as the performance of the Executive Officers, is reviewed each year and compared with the Corporation’s operational results and the achievement of the strategic objectives set out at the beginning of the year. The determination of annual incentive awards and long-term ownership awards is not formulaic but instead is entirely based on the Board’s assessment of the specific actions taken during the year by the team to implement the Corporation’s strategic plans and any amendments to the plans, all in the context of long-term value creation, and other actions taken in response to unforeseen developments during the year.

Information Reviewed by the Compensation Committee

In February 2019, the Compensation Committee received a report detailing the compensation arrangements for the Executive Officers, including the Named Executive Officers. The report, which was prepared by the CEO, summarized the total 2018 compensation, including proposed annual incentive awards and Long-Term Share Ownership Plan awards as well as the proposed 2019 Base Salaries. The report also presented a wealth accumulation analysis, including the “in-the-money” value of vested and unvested Long-Term Share Ownership Plan awards previously granted and the options exercised during the year for each Executive Officer, including the Named Executive Officers.

The report included an analysis of the expected value of 2018 compensation awards to Named Executive Officers that would be paid under various performance results. The Compensation Committee determined that the resulting compensation was reasonable and appropriate based on the performance of the Corporation’s Class A Shares over a 10-year period.

The extent of equity ownership by all executives is an important consideration for the Compensation Committee. It demonstrates the extent to which executives will benefit from, and will be motivated to achieve, the long-term enhancement of shareholder value. Accordingly, the report also contained an analysis of equity ownership by all executives. It also summarized the equity ownership by the most senior executives including Class A Shares held directly and indirectly as well as through Long-Term Share Ownership Plans, along with a summary of the tenure with the organization of each Executive Officer. The Compensation Committee determined that the significant level of equity ownership of the Executive Officers creates an alignment of interests to enhance shareholder value over the longer term.

In addition, the report contained a summary of regular and special option awards to all executives as recommended by the Executive Officers. The Compensation Committee has determined that these arrangements are reasonable and appropriate.

2018 Performance

The Compensation Committee considered the significant achievements by the Corporation in 2018 as outlined on page 45 of this Circular.

2018 Incentive Awards

After considering these achievements, the Compensation Committee determined that management had advanced the long-term business strategy in a manner consistent with the creation of shareholder value over the longer term. Accordingly, the annual and long-term incentive awards for 2018 were as follows:

Named Executive Officer	Annual Incentive	Long-Term Incentive Value
J. Bruce Flatt ^(a)	\$0	\$4,132,800
Brian D. Lawson ^(b)	\$463,080	\$1,435,000
Brian W. Kingston	\$750,000	\$2,870,000
Cyrus Madon ^(b)	\$463,080	\$2,870,000
Samuel J.B. Pollock ^(b)	\$463,080	\$2,870,000

(a) Mr. Flatt is not eligible for an annual incentive. His compensation consists of a Base Salary and an award under one of the Corporation’s long-term share ownership plans. In 2018, the Compensation Committee approved the award of Escrowed Shares in lieu of cash for Mr. Flatt’s annual incentive.

(b) Messrs. Lawson, Madon and Pollock elected to receive 100% of their annual incentive in the form of DSUs.

The Committee considered these awards to be aligned with the compensation approach of rewarding long-term value creation and consistent with the Corporation’s compensation philosophy of providing a significant portion of executive compensation in the form of long-term equity-based awards.

The Canadian Named Executive Officers also received an annual contribution to a retirement savings plan based on a percentage of Base Salary, which for 2018 was 4.5% of Base Salary for Messrs. Lawson, Madon and Pollock, subject to the annual RRSP contribution limit established by the Canada Revenue Agency. Mr. Flatt also receives an annual contribution under the U.K. plan equivalent to 5% of Base Salary. The Named Executive Officers' participation in these retirement savings plans is on the same basis as all other employees of the Corporation subject to geographic and market differentials, and they do not have any entitlement to future pension benefits or other post-employment benefits from the Corporation. As a result, the Corporation has no post-employment obligation to provide pension, medical or other employee benefits to the Named Executive Officers.

Details of the components of the compensation paid to Mr. Flatt and the other Named Executive Officers for 2016, 2017 and 2018 are set out in the Summary Compensation Table on page 61 of this Circular.

Compensation Committee Governance

Compensation Committee Members and Expertise

Diana Taylor (Chair) was appointed to the Compensation Committee on May 6, 2015 and was then appointed as Chair of the Compensation Committee on November 5, 2015. Marcel Coutu was appointed to the Compensation Committee on August 7, 2014. Maureen Kempston Darkes was appointed to the Compensation Committee on November 5, 2015. Each of the three members of the Compensation Committee is independent and has experience in private-sector compensation, with all three having experience sitting on compensation committees of other public companies. The Board believes that the Compensation Committee collectively has the knowledge, skills, experience and background required to fulfill its mandate.

Compensation Committee Mandate

The Compensation Committee has a specific written mandate to review and approve compensation for senior management. This includes an annual evaluation of the performance of the Named Executive Officers and the Executive Officers. The Compensation Committee makes recommendations to the Board with respect to the compensation of the Named Executive Officers and the Board gives final approval on compensation matters.

The Compensation Committee meets as required, and at least annually, to monitor and review management compensation policies, management succession planning, diversity and the overall composition and quality of the Corporation's management resources. The Compensation Committee met two times in 2018 and has met once to date in 2019. None of the recommendations of the Compensation Committee have been rejected or modified by the Board during 2018 or 2019 to date.

Benchmarking Executive Compensation and Compensation Peer Group

Salary and short-term incentives are elements of compensation that can be easily benchmarked; however, long-term incentives are more difficult to benchmark since their value is dependent on the underlying assumptions used by each organization and may not be consistent across organizations. Since long-term incentives are a significant focus of the Corporation's incentive programs, the Compensation Committee has not defined a peer group or benchmarked Named Executive Officer compensation against a peer group. The Compensation Committee believes that the Corporation's current compensation policies have assisted in attracting and retaining top talent and encouraging executives to assess the risks related to their decisions and actions, and minimizing the ability of executives to benefit from taking risks that increase the performance of the Corporation in the short-term at the expense of long-term value. The Compensation Committee also believes that the Corporation's current compensation policies meet the Corporation's other objectives, as described under "Compensation Philosophy" on page 48 of this Circular.

Independent Compensation Advisors

The Compensation Committee has the authority to retain independent compensation advisors, but did not do so in 2018. If the Compensation Committee engages outside compensation advisors in the future, it will take appropriate steps to ensure they are independent from, and provide no other services to the Corporation or its management.

Succession Planning

Each year the Compensation Committee determines whether there are suitable succession candidates for the Executive Officer positions, including the CEO and other Named Executive Officers. Specifically, the Compensation Committee is provided with a list of potential leadership candidates and reviews the performance, skills, current responsibilities and plans for their continued development. In addition, the Compensation Committee spends time each year with management reviewing the performance and development of junior executives. The Compensation Committee believes that this review is important for succession planning purposes and for the compensation awarding process. The Corporation has a long history of developing executives from within rather than hiring externally and the awarding of long-term incentives is an important component of rewarding and retaining these executives.

Gender Diversity

The Corporation is committed to workplace diversity; both cultural and gender diversity are important to the Corporation's long-term success and the Corporation actively supports the development and advancement of a diverse group of employees capable of achieving executive officer positions. Executive officer appointments are solely based on merit, and not on other factors because management and the Board believe that merit should be the guiding factor in determining whether a particular candidate could bring value to the Corporation. As such, the Board has not adopted formal targets for female representation in executive positions. However, a cornerstone of the Corporation's succession planning process is a tailored approach to the development and advancement of employees capable of achieving executive officer positions. This tailored approach to developing executives starts with identifying individuals who demonstrate the skills and attributes required to achieve executive officer positions within the Corporation. The progress of these individuals is reviewed annually in order to ensure that each individual is being provided opportunities to achieve their potential. Development opportunities include exposure to a new competency or skill, a transfer between business units, a relocation, a role expansion or some other stretch opportunity. Tailoring the development plan for each individual permits the Corporation to consider the needs of the individual, including considerations that are gender-based. While the Corporation has not adopted formal targets for female representation in executive officer positions, management and the Committee actively monitor the percentage of females identified as capable of achieving executive officer positions in aggregate, by business unit and by geography. In 2018, over 35% of the individuals identified as executive officer candidates are female. Management and the Compensation Committee review annually the type of development opportunities provided to these candidates to ensure there is no gender bias and to ensure the Corporation continues to increase its female representation in senior management positions. In addition, management and the Compensation Committee review the compensation for these executive officer candidates.

At present, there are 147 women in leadership positions (vice president or higher) within the Corporation, representing approximately 26% of all employees in leadership positions. Further, 11% of the senior management positions (Managing Director or higher) are held by females. There is one female Executive Officer of the Corporation. We are actively requesting female candidates in our recruitment efforts. In 2018, 35% of recruits at the vice president level and above were women.

Compensation Related Risk

Annually, the Compensation Committee reviews the Corporation's compensation approach, policies and practices as well as the Corporation's incentive plans at the corporate level and within its business units.

The Compensation Committee also reviews the terms and conditions of the Long-Term Share Ownership Plans, as well as any proposed amendments, and considers the appropriateness and effectiveness of the plans in the context of current compensation practices, regulatory changes and the Corporation's objectives. The Compensation Committee receives an overview of the financial arrangements entered into by the Corporation to hedge the impact on the Corporation of future increases in the market price of its Class A Shares against the liability incurred under the Corporation's DSUP and Restricted Share Unit Plan. The Committee has determined that the plans are appropriate and effective.

The Compensation Committee reviewed the Corporation's compensation policies and practices, including the design of the Corporation's incentive plans to ensure that they:

- encourage executives to consider the risks associated with their decisions and actions; and
- do not result in the probability that excessive payouts will be made before the outcome of risks are known.

This review separately considered businesses that deploy capital (e.g. private fund business) and businesses that do not deploy capital (e.g. fee for service business) since the compensation risks associated with these businesses are different.

The Compensation Committee reported the results of its review to the Board on December 4, 2018. The Compensation Committee did not identify any risks which are reasonably likely to have a material adverse effect on the Corporation. It was concluded that the Corporation's compensation approach, policies and practices for its executives at the corporate level and within its business units appropriately:

- encourage management to consider the risks associated with their decisions;
- minimize management's ability to benefit from taking risks that increase performance in the short-term at the expense of long-term value creation;
- hold management accountable for their decisions both during employment with and post-departure from the Corporation; and
- provide discretion to the Compensation Committee, where appropriate, to prevent unintended consequences which either unduly benefit or penalize management.

In reaching their conclusion, the Compensation Committee considered the following:

- the emphasis on long-term compensation for executives in businesses that allocate capital including five-year vesting periods and the forfeiture terms related to departure;
- the fact that the design of incentive arrangements for businesses that deploy capital considers the additional risk relative to businesses that do not deploy capital;
- the direct link between the payout to the executive and the performance of the businesses; and
- the timing of payouts to executives who are dedicated to a fund are delayed until the funds' performance is substantially realized and risk outcomes are determined.

The Compensation Committee also reported that the compensation arrangements for the Named Executive Officers are consistent with the objectives of the Corporation's compensation program as outlined under "Compensation Philosophy" on page 48 of this Circular, support the creation of shareholder value over the longer term, as well as the attraction and retention of executives who make decisions with a long-term view, and encourage an assessment of risk related to the decisions made and actions taken. The following practices related to the compensation of the Executive Officers support this conclusion:

- the highest percentage of total annual compensation is granted as Long-Term Share Ownership Plan awards which vest over five years with overlapping vesting periods;
- the significant level of equity ownership by management;
- the significant level of reinvestment of annual incentives into Restricted Shares of the Corporation which must be held for five years or DSUs which are not redeemable until retirement, death or termination of employment, which ensures that management remain exposed to the long-term risks associated with their decision-making;
- the fact that options are held well beyond their vesting period and generally until close to their expiry date. The options exercised in 2018 by Executive Officers (including the Named Executive Officers) were held for approximately eight years on average; and
- the length of tenure of management with the Corporation.

Conclusion

The Compensation Committee is satisfied that Brookfield's compensation philosophy, policies and practices support the Corporation in achieving its long-term strategic objectives and are effective in attracting and retaining executives who make decisions that are aligned with these strategic objectives. The Compensation Committee is satisfied that the compensation practices of the Corporation (i) reward executives for performance over the long-term in a manner that places an appropriate emphasis on risk management, does not encourage executives to take inappropriate or excessive risks, and encourages, and appropriately matches rewards with, long-term value creation, (ii) are simple and transparent, (iii) encourage executives to build equity and align their interests with those of shareholders in a meaningful way, (iv) do not provide for excessive termination or change in control benefits, and (v) support effective succession planning.

On behalf of the Compensation Committee:

- D.L. Taylor – *Chair*
- M.R. Coutu
- M. Kempston Darkes

Class A Share Performance Graphs

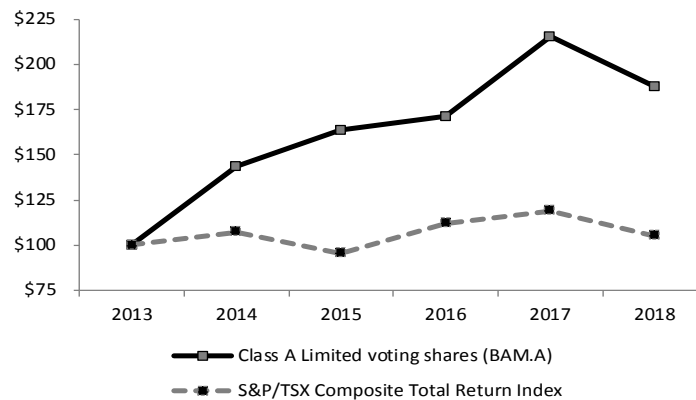
The graphs below detail the share performance of the Corporation's Class A Shares on the TSX and NYSE.

The total return on the NYSE for the period from January 1, 2014 to December 31, 2018 has been 46%. During this same time period, total compensation, as defined and calculated on the Summary Compensation Table, for the current Named Executive Officers has decreased by 30%.

TSX (Symbol: BAM.A)

The following shows the cumulative total shareholder return for the Corporation's Class A Shares (assuming reinvestment of dividends) over the last five fiscal years, in comparison with the cumulative total return of the S&P/TSX Composite Total Return Index.

**Five-Year Cumulative Total Return on C\$100 Investment Assuming Dividends are Reinvested
December 31, 2013 – December 31, 2018**

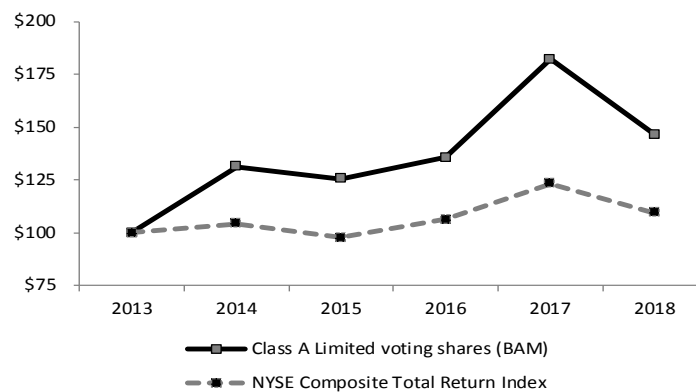


	2013	2014	2015	2016	2017	2018
Class A Shares (BAM.A)	100.0	143.5	163.6	171.2	215.2	187.8
S&P/TSX Composite Total Return Index	100.0	107.4	95.5	112.2	119.0	105.1

NYSE (Symbol: BAM)

The following shows the cumulative total shareholder return for the Corporation's Class A Shares (assuming reinvestment of dividends) over the last five fiscal years, in comparison with the cumulative total return of the NYSE Composite Total Return Index.

**Five-Year Cumulative Total Return on US\$100 Investment Assuming Dividends are Reinvested
December 31, 2013 – December 31, 2018**



	2013	2014	2015	2016	2017	2018
Class A Shares (BAM)	100.0	131.1	125.6	135.7	182.1	146.4
NYSE Composite Total Return Index	100.0	104.2	97.5	106.3	123.2	109.4

Compensation of Named Executive Officers

The table that follows sets out the compensation paid to the Named Executive Officers for the years ended December 31, 2018, 2017 and 2016. Mr. Flatt and Mr. Kingston are remunerated in U.S. dollars. Messrs. Lawson, Madon and Pollock are remunerated in Canadian dollars. In order to provide for comparability with the Corporation's financial statements, which are reported in U.S. dollars, all Canadian dollar compensation amounts in this Circular have been converted to U.S. dollars at an exchange rate of C\$1.00 = US\$0.7718, which was the average exchange rate for 2018 as reported by Bloomberg, unless otherwise noted.

Summary Compensation Table

Name and Principal Position	Year	Annual Base Salary (\$)	Annual Incentive ^(a)		Escrowed Shares / Options ^(c) (\$)	All Other Compensation ^{(d) (e)} (\$)	Total Compensation (\$)
			Cash (\$)	DSUs ^(b) (\$)			
J. Bruce Flatt Managing Partner and CEO	2018	750,000	—	—	4,132,800	37,500	4,920,300
	2017	750,000	—	—	6,052,500	37,500	6,840,000
	2016	600,000	—	600,000	3,444,000	19,563	4,663,563
Brian D. Lawson Managing Partner and CFO	2018	463,080	—	463,080	1,435,000	28,726	2,389,886
	2017	463,080	—	463,080	2,017,500	26,712	2,969,532
	2016	463,080	—	463,080	1,230,000	21,024	2,176,344
Brian W. Kingston Managing Partner	2018	750,000	750,000	—	2,870,000	—	4,370,000
	2017	750,000	750,000	—	4,842,000	—	6,342,000
	2016	700,000	700,000	—	2,952,000	—	4,352,000
Cyrus Madon Managing Partner	2018	463,080	—	463,080	2,870,000	28,726	3,824,886
	2017	463,080	—	463,080	5,380,000	26,712	6,332,032
	2016	463,080	—	463,080	2,952,000	21,024	3,898,344
Samuel J.B. Pollock Managing Partner	2018	463,080	—	463,080	2,870,000	28,726	3,824,886
	2017	463,080	—	463,080	4,573,000	26,712	5,525,032
	2016	463,080	—	463,080	2,952,000	21,024	3,898,344

(a) Beginning in 2017, Mr. Flatt's compensation consists of salary and Escrowed Shares. Each other Named Executive Officer is awarded an annual incentive which he can elect to receive in cash, DSUs or Restricted Shares. Three of the Named Executive Officers elected to receive the annual incentive in DSUs as outlined on page 56 of this Circular.

(b) Reflects DSUs issued in lieu of a cash incentive, at the election of the individual. DSU awards in this column for 2018 were awarded effective on February 25, 2019. The value in this column reflects the entire value of the incentive awarded converted to U.S. dollars at the exchange rate of C\$1.00 = US\$0.7331. The number of DSUs awarded was based on a price of US\$44.2248, the volume-weighted average price of the Class A Shares on the NYSE for the five days preceding the award date.

(c) The amounts for 2018 reflect annual grants of Escrowed Shares for all five Named Executive Officers. The value awarded under the Escrowed Stock Plan for annual grants is determined by the Board and considers the stock market price of the Class A Shares at the time of the award and the potential increase in value based on a hold period of 7.5 years, a volatility of 16.9%, a risk free rate of 2.57% and a dividend yield of 2.0%. This value, for the annual grants, has been discounted by 25% to reflect the five-year vesting and mandatory hold period.

(d) These amounts include annual retirement savings contributions and participation in the executive medical program.

(e) The figures in this column do not reflect DSUs or TSU shares awarded in respect of the spin off of Trisura Group Ltd. ("TSU") on the basis that these awards are in respect of share-based compensation awarded in prior years. On June 22, 2017, when the Corporation spun off TSU, it paid a special dividend of one TSU share for every 170 Class A Shares of the Corporation held. In recognition of the resultant decrease in the intrinsic value of options to purchase Class A Shares issued under the Corporation's MSOPs and Restricted Share Units, in respect of compensation awarded in prior years, the Board approved a special payment based on the value of the dividend for each option and Restricted Share Unit held. Senior executives, including the Named Executive Officers, received this bonus in the form of additional DSUs based on the five-day volume-weighted average price of the Class A Shares for the period ended June 28, 2017. Participants in the Escrowed Stock Plan, including the Named Executive Officers, were awarded a special dividend in the form of TSU shares. The following table shows the number of DSUs and TSU shares awarded and the total value of the awards.

Name	DSUs (#)	TSU Shares (#)	Value (\$)
J. Bruce Flatt	7,244	31,018	945,267
Brian D. Lawson	6,819	14,243	570,977
Brian W. Kingston	17,336	—	679,759
Cyrus Madon	5,355	26,878	782,924
Samuel J.B. Pollock	7,398	24,042	802,598

Incentive Plan Awards

Four of the Named Executive Officers did not receive any annual cash incentive award in respect of 2018. Beginning in 2017, Mr. Flatt is not eligible for an annual cash incentive award; he receives salary and Escrowed Shares. Messrs. Lawson, Pollock and Madon are eligible for an annual incentive but instead elected to receive their entire annual incentive amounts in the form of DSUs. The Corporation has no long-term non-equity incentive plan programs. The following four tables show, for each Named Executive Officer (i) outstanding vested and unvested options and RSU awards at December 31, 2018, (ii) unvested Escrowed Shares, Restricted Shares and DSUs and the market value of vested and unvested Escrowed Shares, Restricted Shares and DSUs at December 31, 2018, and (iii) the value of all option and share-based awards which vested during 2018.

Outstanding Option and Share-Based Awards at December 31, 2018

Options and Restricted Share Units

Name and Principal Position	Options				Restricted Share Units (RSUs) ^(a)		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ^(b) (\$)	Option Expiration Date	Market Value of Unexercised Options at December 31, 2018 ^(c) (\$)	Number of Restricted Share Units (#)	Issuance Price ^(b) (\$)	Market Value at December 31, 2018 ^(c) (\$)
J. Bruce Flatt Managing Partner and CEO	—	—	—	—	590,625	4.32	20,105,156
	—	—	—	—	678,552	6.53	21,593,862
	—	—	—	—	405,000	9.98	11,492,648
	—	—	—	—	1,674,177	—	53,191,665
Brian D. Lawson Managing Partner and CFO	—	—	—	—	421,875	4.32	14,360,822
	—	—	—	—	678,552	6.53	21,593,862
	—	—	—	—	405,000	9.98	11,492,648
	—	—	—	—	1,505,427	—	47,447,331
Brian W. Kingston Managing Partner	450,000	15.45	March 2, 2020	10,303,470	—	—	—
	750,000	25.21	February 25, 2023	9,852,450	—	—	—
	750,000	26.77	February 24, 2024	8,687,475	—	—	—
	750,000	36.32	February 23, 2025	1,519,350	—	—	—
	700,000	30.59	February 22, 2026	5,434,870	—	—	—
	600,000	36.88	February 16, 2027	880,740	—	—	—
	4,000,000	—	—	36,678,355	—	—	—
Cyrus Madon Managing Partner	300,000	15.45	March 2, 2020	6,868,980	1,400,487	6.53	44,568,292
	300,000	—	—	6,868,980	1,400,487	—	44,568,292
Samuel J.B. Pollock Managing Partner	450,000	15.45	March 2, 2020	10,303,470	337,500	4.32	11,488,662
	—	—	—	—	678,552	6.53	21,593,862
	—	—	—	—	405,000	9.98	11,492,648
	450,000	—	—	10,303,470	1,421,052	—	44,575,171

(a) The Restricted Share Unit Plan is no longer active. There have been no awards since 2005. Outstanding awards are redeemable for a cash payment only upon retirement, resignation, termination or death and have no expiration date.

(b) The option exercise price and the RSU issuance price are in Canadian dollars and are presented in the table converted into U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2018 of C\$1.00 = US\$0.7331.

(c) The market value of the options and the RSUs is the amount by which the closing price of the Corporation's Class A Shares on December 31, 2018 exceeded the exercise price of the options or the issuance price of the RSUs. All values are calculated using the closing price of a Class A Share on December 31, 2018 on the TSX and on the NYSE, as applicable. The closing price of a Class A Share on the TSX on December 31, 2018 was \$52.32 (\$38.35 converted to U.S. dollars at the Bloomberg mid-market exchange rate on that day of C\$1.00 = US\$0.7331) and \$38.35 on the NYSE, as applicable.

Escrowed Shares, Restricted Shares and Deferred Share Units

Name	Escrowed Shares			Share-Based Awards ^(a) Restricted Shares (RSs)			Deferred Share Units (DSUs)		
	Number of Unvested Escrowed Shares (#)	Market Value of Unvested Escrowed Shares ^(b) (\$)	Market Value of Vested Escrowed Shares ^(b) (\$)	Number of Unvested RSs (#)	Market Value of Unvested RSs ^(c) (\$)	Market Value of Vested RSs ^(c) (\$)	Number of Unvested DSUs (#)	Market Value of Unvested DSUs ^(c) (\$)	Market Value of Vested DSUs ^(c) (\$)
J. Bruce Flatt	1,685,000	822,024	27,305,037	—	—	—	—	—	35,998,528
Brian D. Lawson	920,000	2,570,039	10,054,685	4,725	181,213	4,720,817	—	—	37,106,578
Brian W. Kingston	900,000	—	—	—	—	—	1,968	75,485	16,385,328
Cyrus Madon ^(d)	2,141,000	4,910,010	17,025,981	7,306	280,209	6,725,017	—	—	25,391,127
Samuel J.B. Pollock ^(e)	1,990,000	4,910,010	16,878,040	4,725	181,213	4,349,113	—	—	35,267,657

(a) These values do not include the most recent Escrowed Share, Restricted Share and DSU awards made to the Named Executive Officers on February 25, 2019.

(b) The value of the Escrowed Shares is equal to the value of the Class A Shares held by the Escrowed Company less the net liabilities and preferred share obligations of the Escrowed Company.

(c) Values are calculated using the closing price of a Class A Share on the TSX on December 31, 2018 of \$38.35 (C\$52.32 converted into U.S. dollars at the Bloomberg mid-market exchange rate on that day of C\$1.00 = US\$0.7331) and on the NYSE on December 31, 2018 of \$38.35, as applicable.

(d) The market value of vested DSUs includes \$4,199,960 representing the value of Mr. Madon's vested private equity DSUs. These DSUs are valued based on the fair value of the investments in the Brookfield Capital Partners Funds as disclosed in the audited financial statements of the fund.

(e) The market value of vested DSUs includes \$4,200,628 representing the value of Mr. Pollock's vested infrastructure DSUs. These DSUs are valued based on the fair value of the investments in the Brookfield Americas Infrastructure Funds as disclosed in the audited financial statements of the fund.

Option and Share-Based Awards Vested During 2018

Named Executive Officer	Value Vested During 2018 ^(a)			
	Options ^(b) (\$)	DSUs ^(c) (\$)	Restricted Shares (\$)	Escrowed Shares (\$)
J. Bruce Flatt	—	—	—	—
Brian D. Lawson	—	474,346	95,507	—
Brian W. Kingston	—	—	—	—
Cyrus Madon	—	1,554,892	147,681	—
Samuel J.B. Pollock	—	565,900	95,507	—

(a) All values are calculated using the closing price of a Class A Share on the vesting date on the TSX and on the NYSE, as applicable, and converted into U.S. dollars using the average Bloomberg mid-market exchange rate for 2018 of C\$1.00 = US\$0.7718.

(b) The value represents the amount by which the value of the Corporation's Class A Shares exceeded the exercise price on the day the options vested.

(c) Values in this column represent the value of DSUs vested in 2018, including DSUs awarded on February 26, 2018 in lieu of the cash incentive related to performance in 2017.

Security-Based Compensation Arrangements

The Corporation's only current security-based compensation arrangements are its MSOPs and its Escrowed Stock Plan.

2007 Management Share Option Plan

The 2007 Management Share Option Plan (the "2007 Plan") was approved by the Board in February 2007. The 2007 Plan provides for the issuance of 22,500,000 Class A Shares (representing approximately 2.3% of the Corporation's issued and outstanding Class A Shares as at December 31, 2018), of which options to acquire 2,663,500 Class A Shares (representing approximately 0.3% of the Corporation's issued and outstanding Class A Shares) had been granted but not yet exercised as at December 31, 2018. Following the approval of the 2012 Plan, as defined below, by the Corporation's shareholders in May 2012, the Corporation decided not to grant any further options under the 2007 Plan.

2009 Management Share Option Plan

The 2009 Management Share Option Plan (the "2009 Plan") was approved by the Board in February 2009 and by the holders of Class A Shares at the Annual and Special Meeting of Shareholders held on May 5, 2009. The 2009 Plan provides for the issuance of 22,500,000 Class A Shares (representing approximately 2.3% of the Corporation's issued and outstanding Class A Shares as at December 31, 2018) of which options to acquire 10,206,975 Class A Shares (representing approximately 1.0% of the Corporation's issued and outstanding Class A Shares) had been granted but not yet exercised as at December 31, 2018. Following the approval of the 2016 Plan, as defined below, by the Corporation's shareholders in June 2016, the Corporation decided not to grant any further options under the 2009 Plan.

2012 Management Share Option Plan

The 2012 Management Share Option Plan (the "2012 Plan") was approved by the Board in February 2012 and by the holders of Class A Shares at the Annual and Special Meeting of Shareholders held on May 10, 2012. The 2012 Plan provides for the issuance of 22,500,000 Class A Shares (representing approximately 2.3% of the Corporation's issued and outstanding Class A Shares as at December 31, 2018). Options to acquire 20,459,480 Class A Shares have been granted but not exercised and 166,065 options are available for grant, representing approximately 2.1% and 0.01% respectively of the Corporation's issued and outstanding Class A Shares as at December 31, 2018.

2016 Management Share Option Plan

The 2016 Plan was approved by the Board on February 11, 2016 and by the holders of Class A Shares at the Annual and Special Meeting of Shareholders held on June 17, 2016. The 2016 Plan provides for the issuance of 15,000,000 Class A Shares (representing approximately 1.5% of the Corporation's issued and outstanding Class A Shares as at December 31, 2018). Options to acquire 4,202,120 Class A Shares have been granted but not exercised and 10,797,880 options are available for grant, representing approximately 0.4% and 1.1%, respectively, of the Corporation's issued and outstanding Class A Shares as at December 31, 2018.

2019 Management Share Option Plan

The 2019 Plan was approved by the Board on February 13, 2019 and approval of the 2019 Plan by shareholders is being sought at the meeting. The 2019 Plan provides for the issuance of 15,000,000 Class A Shares (representing approximately 1.5% of the Corporation's issued and outstanding Class A Shares as at December 31, 2018). No options to acquire Class A Shares under the 2019 Plan have been granted.

General Terms of Option Plans

The Board establishes the exercise price of each option at the time it is granted, which may not be less than the closing price of a Class A Share on the last trading day preceding the date of the grant on the NYSE. If options are approved during a blackout period, the effective grant date may not be less than six business days after the blackout ends and the exercise price for the options approved during a blackout period is the volume-weighted average trading price of Class A Shares for the five business days preceding the effective grant date.

The following is a summary of the other key provisions of the 2009 Plan, the 2012 Plan, the 2016 Plan and the 2019 Plan (collectively, the "Option Plans"). Employees, officers and consultants of the Corporation and its affiliates and others designated by the Board are eligible to participate in the Option Plans. Non-employee directors are not eligible to participate in the Option Plans. The number of Class A Shares issuable to insiders at any time, or issued in any one year to insiders, under any of the Corporation's security-based compensation arrangements cannot exceed in either case 10% of the issued and outstanding shares of this class; and no more than 5% of the issued and outstanding shares may be issued under these arrangements to any one person. The Board determines the vesting

period for each option grant, which is normally 20% per year over five years commencing the first year after the grant. The Board also sets the expiry period for each option grant, which may not exceed 10 years, except where the expiry date falls during or shortly after a blackout period, in which case the expiry date is 10 days after the blackout period ends.

The Option Plans set out provisions regarding the exercise and cancellation of options following a change in the employment status of a plan participant. In general, all vested options must be exercised by, and all unvested options are cancelled on, a participant's termination date, except as follows: in the event of termination by the Corporation for reasons other than cause or due to a continuous leave of absence as a result of a disability, vested options must be exercised within 60 days following the termination date; in the event of retirement, vested options continue to be exercisable until the applicable expiry date; and in the event of death, all granted options continue to vest and be exercisable for six months following death.

The Option Plans permit participants to exercise vested options in exchange for a number of Class A Shares equivalent in value to (i) the aggregate fair market value of the Class A Shares underlying the options on the exercise date over the aggregate exercise price of the options, less (ii) applicable withholding taxes (only to the extent such taxes have not otherwise been satisfied by the participant). This provides for a reduction in shareholder dilution upon the exercise of options using this feature.

Procedure for Amending Option Plans

The Option Plans contain an amending provision setting out the types of amendments which can be approved by the Board without shareholder approval and those which require shareholder approval. Shareholder approval is required for any amendment that increases the number of shares issuable under the Option Plans, that lengthens the period of time after a blackout period during which options may be exercised, results in the exercise price being lower than fair market value of a Class A Share at the date of grant, reduces the exercise price or any cancellation and reissuance of an option which would be considered a repricing under TSX rules, expands insider participation, extends the term of an option beyond its expiry date, adds a provision which results in participants receiving shares for no consideration (other than the 2016 Plan or the 2019 Plan) or other amendments required by law to be approved by shareholders. The 2016 Plan and 2019 Plan also require shareholder approval for any amendment which would permit options to be transferable or assignable other than for normal estate planning purposes, any amendment to the amendment provisions, any amendment expanding the categories of eligible participants which may permit the introduction or reintroduction of non-employee directors on a discretionary basis and any amendment to remove or exceed the insider participation limit. Shareholder approval is not required for any amendment to the Option Plans or any option that is of a housekeeping or administrative nature, that is necessary to comply with applicable laws or to qualify for favourable tax treatment, that is to the vesting, termination or early termination provisions (provided that the amendment does not entail an extension beyond the expiry period of the options), that adds or modifies a cashless exercise feature that provides for a full deduction of the number of Class A Shares from the Option Plan reserve, and to suspend or terminate an Option Plan.

Other Features of the Option Plans

The Corporation does not provide any financial assistance to plan participants to facilitate the purchase of Class A Shares issued pursuant to the exercise of options under the Option Plans. Options granted under the Option Plans may be assigned by the plan participant to (i) his or her spouse, descendants or any other immediate family member; or (ii) a trust, the beneficiaries of which are one or more of the plan participant and the participant's spouse, descendants or immediate family members; or (iii) a corporation or limited liability company controlled by the plan participant or by one or more of the participant and the participant's spouse, and/or the immediate family members, the shares or interests of which are held directly or indirectly by the plan participant, participant's spouse and/or immediate family members; or (iv) such other transferees for estate planning purposes as may be permitted by the Board in its discretion.

The Board, on the recommendation of the Compensation Committee, approves all option awards. The Compensation Committee recommends the long-term incentive award for the CEO. All other option awards are recommended by the CEO to the Compensation Committee.

The Corporation has established a number of policies related to its long-term share ownership plans, including option exercise hold periods, to reinforce the importance of equity ownership by its senior executives over the longer term. See also "Incentive and Equity-Based Compensation Policies and Guidelines" on page 55 of this Circular.

The Escrowed Stock Plan

The Escrowed Stock Plan was approved by the Board in February 2011 and by holders of Class A Shares at the Annual and Special Meeting of Shareholders held on May 11, 2011. The Escrowed Stock Plan governs the award of Escrowed Shares of one or more Escrowed Company to executives or other individuals designated by the Board. Each Escrowed Company is capitalized with common shares and preferred shares issued to the Corporation for cash proceeds. Each Escrowed Company uses its cash resources to directly or indirectly purchase Class A Shares of the Corporation in the open market. Dividends paid to each Escrowed Company on the Class A Shares acquired by the Escrowed Company will be used to pay dividends on the preferred shares which are held by the Corporation. The Class A Shares acquired by an Escrowed Company will not be voted.

Except as otherwise determined by the Board, 20% of Escrowed Shares will vest on the first anniversary of the granting of such shares, with an additional 20% vesting on each subsequent anniversary, up to and including the fifth anniversary of the grant of the Escrowed Shares.

On date(s) determined by the holders of the Escrowed Shares that are between five years (or in the case of U.S. participants, one year) and 10 years after the initial grant, the vested Escrowed Shares will be acquired by the Corporation in exchange for the issuance of Class A Shares from treasury, where the value of the Class A Shares being issued is equal to the value of the Escrowed Shares being acquired. The value of the Escrowed Shares will be equal to the increase in value of the Class A Shares held by the Escrowed Company since the grant date of the Escrowed Shares, based on the volume-weighted average price of a Class A Share on the NYSE on the date of the exchange. Participants are not permitted to exchange Escrowed Shares during a blackout period, except with the consent of the Board. Once all participants of an Escrowed Company have elected to exchange their Escrowed Shares, the Escrowed Company will be wound up or merged into the Corporation and the Corporation will cancel at least that number of Class A Shares held by the Escrowed Company that is equivalent to the number of Class A Shares that have been issued to holders of the Escrowed Shares of the Escrowed Company on exchanges.

A maximum of 9,000,000 Class A Shares may be issued under the Escrowed Stock Plan, representing less than 1% of the Corporation's issued and outstanding Class A Shares. When Class A Shares are issued in exchange for Escrowed Shares, the number of Class A Shares remaining for future issuance under the Escrowed Stock Plan will be reduced. On the wind-up or merger of an Escrowed Company, the number of Class A Shares held by the Escrowed Company that are cancelled in respect of Class A Shares previously issued by the Corporation in exchange for Escrowed Shares will be added back to the number of Class A Shares available for future issuance under the Escrowed Stock Plan. The Escrowed Stock Plan also provides that when Class A Shares are issued in exchange for Escrowed Shares and immediately thereafter the Escrowed Company is wound up or merged into the Corporation and the Class A Shares held by it are cancelled, the number of Class A Shares remaining for future issuance under the Escrowed Stock Plan will not be reduced. 3,217,570 Class A Shares (representing 0.3% of Class A Shares outstanding) have been issued under the Escrowed Stock Plan and 5,782,430 Class A Shares (representing 0.6% of the Corporation's issued and outstanding Class A Shares) are available for future issuance as at December 31, 2018.

Eligibility for participation in the Escrowed Stock Plan is restricted to designated executives of the Corporation and its affiliates or any other persons designated by the Board. The number of Escrowed Shares to be granted to each participant is determined at the discretion of the Board, on the recommendation of the Compensation Committee. The Compensation Committee recommends the award of Escrowed Shares for the CEO. All other awards of Escrowed Shares are recommended by the CEO to the Compensation Committee. The number of Class A Shares issuable to insiders at any time, or issued in any one year to insiders, under any of the Corporation's security-based compensation arrangements cannot exceed in either case 10% of the issued and outstanding shares of this class; and no more than 5% of the issued and outstanding shares may be issued under these arrangements to any one person. Aside from transfers to the Corporation (in the case of termination of employment, described in the table under "Termination and Change of Control Provisions" on page 54 of this Circular) or for personal tax planning purposes, transfers of Escrowed Shares are not permitted.

The number of Escrowed Shares granted under the Escrowed Stock Plan annually, expressed as a percentage of the weighted average number of Class A Shares outstanding in the year, was 0.33% in 2016, 0.38% in 2017 and 0.59% in 2018. See also "Dilution of Class A Shares" on page 68 of this Circular for information on the rate of Class A Share issuances under the Escrowed Stock Plan.

Recent Amendments to the Escrowed Stock Plan

The Board approved two amendments to the Escrowed Stock Plan in 2018, one of which required and received shareholder approval at the Corporation's annual and special meeting of shareholders held on June 15, 2018.

Under the previous terms of the Escrowed Stock Plan, on a wind-up or merger of an Escrowed Company with the Corporation, all Class A Shares held by the Escrowed Company were required to be cancelled by the operation of applicable law. This number would always be greater than the number of Class A Shares issued from treasury by the Corporation to participants of the Escrowed Company on exchanges, resulting in a net reduction in the total number of issued and outstanding Class A Shares over time. The first amendment, which did not require shareholder approval pursuant to the amendment provisions of the Escrowed Stock Plan, provided that on a wind-up or merger, the Corporation will only be required to cancel that number of Class A Shares held by the Escrowed Company that is equivalent to the number of Class A Shares that have been issued from treasury to participants of the Escrowed Company on exchanges. This ensures that the "excess shares" are available to be used by the Corporation to fund the Escrowed Stock Plan in the future if the Corporation believes this is in its best interests, failing which it will cancel the excess shares.

Previously, the Escrowed Stock Plan also provided that when Class A Shares were issued in exchange for Escrowed Shares outside of the context of a wind-up or merger of an Escrowed Company (the "Optional Exchange Shares"), the number of Class A Shares remaining for future issuance under the Escrowed Stock Plan were required to be reduced. This resulted in a reduction of the number of Class A Shares available for issuance under the Escrowed Stock Plan even though at least an equivalent number of Class A Shares would eventually be cancelled on the wind-up or merger of the Escrowed Company. This was an unintended result. The second amendment (the "Second Amendment to the Escrowed Stock Plan"), approved by the Board and shareholders, provided that on a wind-up or merger of an Escrowed Company, the number of Class A Shares held by the Escrowed Company that are cancelled in respect of Optional Exchange Shares previously issued by the Corporation will be added back to the number of Class A Shares available for future issuance under the Escrowed Stock Plan. This will not be dilutive to shareholders, as the number of Class A Shares added to the reserve will be limited to the previous reductions required as a result of issuances of Optional Exchange Shares, even if a greater number of Class A Shares held by an Escrowed Company are cancelled upon its wind-up or merger. The Second Amendment to the Escrowed Stock Plan instead eliminates any previous reduction in the Class A Shares available for future issuance under the Escrowed Stock Plan.

Procedure for Amending Escrowed Stock Plan

The Escrowed Stock Plan contains an amending provision setting out the types of amendments which can be approved by the Board without shareholder approval and those which require shareholder approval. Shareholder approval is required for any amendment that increases the number of Class A Shares issuable under the Escrowed Stock Plan, expands insider participation, any amendment to the amendment provisions or other amendments required by law to be approved by shareholders. Shareholder approval is not required for any amendment to the Escrowed Stock Plan that is of a housekeeping or administrative nature, that is necessary to comply with applicable laws or to qualify for favourable tax treatment, that is to vesting provisions, that is to the termination or early termination provisions (provided that the amendment does not entail an extension beyond the tenth anniversary of the award date for any particular Escrowed Company), and to suspend or terminate the Escrowed Stock Plan.

Dilution of Class A Shares

Options Outstanding and Class A Shares issued under the Escrowed Stock Plan as a Percentage of Issued and Outstanding Class A Shares		
	2018	2019
2007 Plan	0.4%	0.3%
2009 Plan	1.1%	1.0%
2012 Plan	2.1%	2.1%
2016 Plan	0.4%	0.4%
Escrowed Stock Plan ^(a)	1.3%	1.3%

(a) Includes Escrowed Stock Plan Class A Shares that have been issued in connection with this plan. Escrowed Shares awarded are subject to a hold period. Class A Shares issued under this plan are offset by the cancellation of shares acquired in the market as described above.

Burn Rate

The following table shows the number of awards granted under each of the Option Plans and the Escrowed Stock Option Plan as a percentage of the average Class A Shares outstanding (the “burn rate”) for the past three years. The burn rate is defined as the number of awards granted in a fiscal year, divided by the basic weighted average number of Class A Shares outstanding in that year.

	2018	2017	2016
Grants under the 2007 Plan	—	—	—
Burn Rate	—	—	—
Grants under the 2009 Plan	—	—	—
Burn Rate	—	—	—
Grants under the 2012 Plan	543,820	6,091,015	4,363,800
Burn Rate	0.06%	0.64%	0.46%
Grants under the 2016 Plan	3,994,210	240,000	—
Burn Rate	0.42%	0.03%	—
Grants under the Escrowed Stock Plan ^(a)	5,815,000	3,800,000	3,250,000
Burn Rate	0.59%	0.38%	0.33%

(a) Includes Escrowed Stock Plan Class A Shares that have been issued in connection with this plan. Escrowed Shares awarded are subject to a hold period. Class A Shares issued under this plan are offset by the cancellation of shares acquired in the market as described above.

Securities Authorized for Issue Under Incentive Plans

The following table sets out information on the Corporation's Option Plans and Escrowed Stock Plan as at December 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders			
2016 Plan, 2012 Plan, 2009 Plan and 2007 Plan ^(a)	37,532,075	\$ 32.46 ^(b)	12,312,305
Escrowed Stock Plan	1,485,869 ^(c)	^(c)	5,782,430
Total	39,017,944		18,094,735

(a) Following the approval of the 2012 Plan by the Corporation's shareholders in May 2012, the Corporation decided that it will not grant any further options under the 2007 Plan. Following the approval of the 2016 Plan by the Corporation's shareholders in June 2016, the Corporation decided that it will not grant any further options under the 2009 Plan.

(b) Converted into U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2018 of C\$1.00 = US\$0.7331.

(c) Escrowed Shares awarded are subject to a hold period. This value represents the number of Class A Shares at December 31, 2018 which are no longer subject to the hold period and could be issued under this plan (representing 0.1% of the Corporation's issued and outstanding Class A Shares). To December 31, 2018, 3,217,570 Class A Shares have been issued in connection with this plan.

Pension and Retirement Benefits

The Corporation's Named Executive Officers and its other senior executives do not participate in a registered defined benefit plan or any other post-retirement supplementary compensation plans. Eligible Canadian senior executives receive an annual contribution from the Corporation to their registered retirement savings plans equal to 4.5% of their Base Salary, subject to the annual RRSP contribution limit established by the Canada Revenue Agency. Mr. Flatt receives an annual contribution equivalent to 5% of Base Salary. The Named Executive Officers do not have any entitlement to future pension benefits or other post-employment benefits from the Corporation. The Corporation has not entered into contractual termination, post-termination or change of control arrangements, employment contracts or golden parachutes with any of its Named Executive Officers.

PART SIX – OTHER INFORMATION

Routine Indebtedness of Directors, Officers and Employees

As at April 29, 2019, there is no debt outstanding to the Corporation by current and former directors, officers and employees of the Corporation and its subsidiaries, including loans made by the Corporation (or its predecessors) in connection with equity ownership interests in the specialty investment funds they manage, and certain other indebtedness. There is no indebtedness to the Corporation by current and former directors, officers or employees of the Corporation in connection with the purchase of securities of the Corporation or any of its associated companies.

Audit Committee

Additional information about the Audit Committee required by Part 5 of NI 52-110, including the Committee's Charter, can be found in the AIF under the heading "Audit Committee Information," which is posted on the Corporation's website, <https://bam.brookfield.com> under "Notice and Access 2019" and is also filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar. A copy of the AIF can also be obtained from the Corporate Secretary of the Corporation as set out below under "Availability of Disclosure Documents" on page 71 of this Circular.

Directors' and Officers' Liability Insurance

The Corporation and certain of its associated companies (collectively, the "Organization") maintain directors' and officers' insurance with an aggregate limit of \$125 million for claims where an entity within the Organization is obligated and able to indemnify its directors or officers, as well as those claims where an indemnity is not available. There is an additional \$50 million of coverage for directors and officers directly for claims where such indemnity is not available. The total limit of \$175 million is applied under a shared program for the Organization, and therefore payments made under the program in a given year are deducted from the aggregate insurance coverage available under the program for that year.

Under the directors' and officers' insurance program, an entity within the Organization is eligible for reimbursement for indemnity payments made to directors or officers as required or permitted by law, including legal costs arising from acts, errors or omissions committed by directors and officers during the course of their duties as such. The insurance coverage for directors and officers has certain exclusions including, but not limited to, those acts for which an entity within the Organization is not permitted to indemnify directors under applicable law, such as acts determined to be deliberately fraudulent or dishonest or to have resulted in personal profit or advantage. Claims by entities within the Organization are subject to a deductible of up to \$2.5 million, other than for the Corporation itself where the deductible can be up to \$5 million. Individual directors and officers do not pay any deductible if it is necessary for them to make a claim directly because they are not indemnified by an entity within the Organization.

The cost of the directors' and officers' insurance program is borne by the Organization and is currently \$2,108,297 annually, \$864,402 of which represents the Corporation's share of this premium payment.

Normal Course Issuer Bid

Class A Limited Voting Shares

On May 22, 2018, the Corporation renewed its normal course issuer bid for market purchases of its Class A Shares ("Common NCIB") for a period extending from May 24, 2018 until May 23, 2019, or an earlier date should the Corporation complete its purchases. The Common NCIB allows Brookfield to repurchase, during the period mentioned above, on the TSX, NYSE and any alternative Canadian trading platform, a maximum of 82,315,909 Class A Shares, representing approximately 10% of the public float of the outstanding Class A Shares. All Class A Shares acquired by the Corporation under the Common NCIB are cancelled or purchased by a non-independent trustee pursuant to a long-term incentive plan.

The Common NCIB is in place because the Corporation believes that, from time to time, the trading price of Class A Shares may not fully reflect the underlying value of Brookfield's business and future business prospects, and in such circumstances acquiring Class A Shares may represent an attractive investment. As at April 29, 2019, the Corporation had purchased 5,067,414 Class A Shares under the Common NCIB at an average price of \$41.55. Shareholders may obtain, free of charge, a copy of the notice of intent regarding the Common NCIB, which was approved by the TSX, by writing to the Corporate Secretary of the Corporation at Brookfield Place, Suite 300, 181 Bay Street, P.O. Box 762, Toronto, Ontario M5J 2T3.

Class A Preference Shares

On August 15, 2018, the Corporation renewed its normal course issuer bid for market purchases of the Corporation's outstanding Class A Preference Shares that are listed on the TSX ("Preferred NCIB") for a period extending from August 20, 2018 until August 19, 2019, or an earlier date should the Corporation complete its purchases. The Preferred NCIB allows Brookfield to repurchase, during the period mentioned above, on the TSX, a maximum of 10% of the public float of these outstanding Class A Preference Shares. All Class A Preference Shares acquired by the Corporation under the Preferred NCIB are cancelled.

The Preferred NCIB is in place because the Corporation believes that, from time to time, certain Class A Preference Shares may trade in price ranges that do not fully reflect their value, and in such circumstances acquiring Class A Preference Shares may represent an attractive investment. As at April 29, 2019, the Corporation had purchased 7,415 Class A Preference Shares, Series 2 at an average price of C\$13.79, 4,090 Class A Preference Shares, Series 4 at an average price of C\$13.68, 3,400 Class A Preference Shares, Series 8 at an average price of C\$19.54, 3,134 Class A Preference Shares, Series 9 at an average price of C\$18.92, 7,604 Class A Preference Shares, Series 13 at an average price of C\$13.85, 101,928 Class A Preference Shares, Series 17 at an average price of C\$20.43, 90,553 Class A Preference Shares, Series 18 at an average price of C\$20.40, 100,476 Class A Preference Shares, Series 24 at an average price of C\$18.67, 4,000 Class A Preference Shares, Series 25 at an average price of C\$16.96, 115,864 Class A Preference Shares, Series 26 at an average price of C\$18.56, 113,310 Class A Preference Shares, Series 28 at an average price of C\$16.95, 143,676 Class A Preference Shares, Series 30 at an average price of C\$22.68, 228,469 Class A Preference Shares, Series 32 at an average price of C\$23.02, 92,028 Class A Preference Shares, Series 34 at an average price of C\$21.28, 97,722 Class A Preference Shares, Series 36 at an average price of C\$20.88, 114,404 Class A Preference Shares, Series 37 at an average price of C\$21.22, 81,280 Class A Preference Shares, Series 38 at an average price of C\$20.84, 146,865 Class A Preference Shares, Series 40 at an average price of C\$21.98, 97,300 Class A Preference Shares, Series 42 at an average price of C\$21.96, 113,260 Class A Preference Shares, Series 44 at an average price of C\$25.71, 154,993 Class A Preference Shares, Series 46 at an average price of C\$25.44, and 114,028 Class A Preference Shares, Series 48 at an average price of C\$24.44 under the Preferred NCIB. Shareholders may obtain, free of charge, a copy of the notice of intent regarding the Preferred NCIB, which was approved by the TSX, by writing to the Corporate Secretary of the Corporation at Brookfield Place, Suite 300, 181 Bay Street, P.O. Box 762, Toronto, Ontario M5J 2T3.

Availability of Disclosure Documents

The Corporation will provide any person or company, upon request in accordance with the directions in the Notice, a copy of this Circular and the Annual Report. Upon request to the Corporate Secretary of the Corporation, the Corporation will provide any person or company the AIF, together with a copy of any document or the pertinent pages of any document incorporated therein by reference; management's discussion and analysis of financial condition and results of operation from its most recently completed financial year ("MD&A") and/or the interim financial statements of the Corporation for the periods subsequent to the end of its fiscal year (the "Interim Statements"). Financial information on the Corporation is provided in its comparative annual financial statements and MD&A. Requests for the AIF, MD&A and the Interim Statements can be made to the Corporation by mail at Brookfield Place, Suite 300, 181 Bay Street, P.O. Box 762, Toronto, Ontario M5J 2T3, by telephone at (416) 363-9491, by fax at (416) 365-9642, or by email at enquiries@brookfield.com. All of these documents and additional information related to the Corporation are also available on the Corporation's website, <https://bam.brookfield.com>, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

Shareholder Proposals

Shareholder Proposal One

The following proposal has been submitted by B.C. Government and Service Employees' Union General Fund and B.C. Government and Service Employees' Union Defence Fund, holders of 3,020 and 17,800 Class A Shares, respectively, of the Corporation (less than 1% and less than 1% respectively, of Brookfield's issued and outstanding capital as of the Record Date), for consideration at the meeting. Except to remove certain names as indicated below, the shareholder proposal, including the supporting statement, is included exactly as submitted to us by the proposing shareholder.

RESOLVED: Shareholders of Brookfield Asset Management Inc. ("Brookfield") request the Board Management Resources and Compensation Committee prepare a report assessing the feasibility of integrating measures related to workplace sexual misconduct into the performance metrics used to determine incentive compensation paid or awarded to senior executives. For purposes of this proposal, "workplace sexual misconduct" includes sexual harassment, violence and discrimination. The report should omit confidential and proprietary information and should be made available on Brookfield's website no later than March 31, 2020.

Supporting Statement

As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing companies is workplace sexual misconduct. Sexual misconduct can have a dramatic financial impact on investors. [A large U.S.-based public company] lost close to \$3 billion in market capitalization just days after its CEO was accused of sexual misconduct.

Reputational damage can impact asset managers such as Brookfield. Trustees of large US institutional investors, including current and potential Brookfield clients, such as [a large U.S. state institutional investor] and [a large U.S. municipal institutional investor], have highlighted their concern with these risks by issuing principles addressing sexual harassment and workplace misconduct. According to the Wall Street Journal, financial firms' use of mandatory arbitration and other measures is "effectively muzzling alleged victims of harassment."

Sexual misconduct may reduce productivity and increase recruitment and retention costs. Institutional Shareholder Services includes executive compensation measures as one of the "Five signs of effective sexual misconduct risk management."

Brookfield's 2018 Positive Work Environment Policy recognizes that "Brookfield is committed to maintaining an environment that is safe and respectful; our shared success depends on it." The code also states that "directors, officers and employees have a duty to ensure a safe and respectful workplace environment."

We believe that effective implementation of policies like Brookfield's is critical. A 2018 report noted that while 93% of executives at Canadian companies surveyed believe they have a corporate culture that prevents sexual harassment, a different survey found that 33% of female respondents had been harassed. That discrepancy suggests a gap between written policies and workplace behavior.

According to Brookfield's 2018 Management Information Circular, annual incentive awards are based on the Committee's "assessment of management's decisions and actions and how those decisions and actions align with the Corporation's long-term strategy of value creation and how management considered the risks associated with such decisions." (p.49) Brookfield's incentive arrangements are thus sufficiently flexible that executive performance on goals related to reducing sexual misconduct could be incorporated into performance assessments used for incentive pay purposes.

We believe that integrating goals or performance measures related to sexual misconduct, such as meaningful training, would reinforce the importance of creating a "safe and respectful" environment.

Brookfield's Approach to a Positive Work Environment

Everyone has the right to work in a safe and respectful environment that is free of violence, harassment and other misconduct, including sexual misconduct. This principle has always been part of our core values at Brookfield and the Code of Conduct and our Positive Work Environment Policy establish a clear commitment to maintaining a workplace free from these and other negative behaviours.

Integrity, fairness and respect are hallmarks of our culture and we are committed to fostering a positive work environment in which there is no tolerance for violence, harassment and other misconduct, including sexual misconduct. We believe that this can be accomplished only when employees recognize a personal responsibility to one another and to the Corporation in taking an active role in achieving a safe and respectful workplace environment. We do not believe that linking this fundamental tenet to a measurement of performance – suggesting that a direct monetary amount can be placed on various forms of highly negative behavior for which there can be no tolerance – is the most appropriate method of instilling our culture and values throughout our organization. Misconduct is managed in a variety of circumstances most frequently resulting in termination, thus we do not support the preparation of a report as described in the Proposal.

It is also very important to note that, as described elsewhere in this Circular, the Compensation Committee maintains a high degree of discretion and an ability to exercise judgment in ensuring that annual compensation reflects the outcome of decisions and actions taken by management, which necessarily includes management's performance in protecting Brookfield's culture and fostering a positive, respectful workplace. As such, management's effectiveness in this regard is already considered as part of our current incentive award evaluations.

The Proposal recognizes that Brookfield recently adopted the Positive Work Environment Policy (available on Brookfield's website) which reinforces the commitment expressed in the Code of fostering a positive work environment. Among other things, the policy provides detailed guidance to all employees in fulfilling our collective duty to ensure a safe and respectful workplace environment

where high value is placed on integrity, fairness and inclusiveness, as well as the role and responsibilities of senior executives in helping to achieve this objective. In this regard, senior executives are expected to establish a “tone from the top” of no tolerance for workplace misconduct and to promote a culture where employees feel comfortable reporting concerns related to misconduct in the workplace.

The introduction of the Positive Work Environment Policy in 2018 was accompanied by additional procedures to support its implementation and promote broad employee awareness. This includes annual certifications by employees and mandatory training for all supervisors, not only senior executives.

The beneficial impact that the introduction of our Positive Work Environment Policy has had was recently validated from the favourable feedback that we received from employees through our recent anonymous employee survey. This survey, conducted during the first half of 2018, covered over 1,600 employees within our asset management franchise and achieved an 85% participation rate. Among other results, the survey concluded that approximately 95% of employees feel that both Brookfield (93%) and senior leadership (94%) show a commitment to ethical decisions and conduct (99% for both if including neutral responses). We are very pleased with these strong results, which are top decile amongst financial services comparators and we will continue to engage our employees for feedback in this and other ways as we continue to work to maintain and support a positive work environment.

In light of the above, the Board strongly believes that, through the engagement of senior executives and all employees in accordance with the Code and Positive Work Environment Policy, we will most effectively continue to address the fundamental objective of maintaining a safe and respectful workplace environment that is so critical to ensuring sustainable long-term value for shareholders and all of our stakeholders and a research report or assessment would not be additive.

For the reasons set forth above, the Board recommends that shareholders vote AGAINST the Proposal.

Shareholder Proposal Two

The following proposal has been submitted by Atkinson Charitable Foundation, a holder of 8,278 Class A Shares of the Corporation (less than 1% of Brookfield’s issued and outstanding capital as of the Record Date), for consideration at the meeting. The shareholder proposal, including the supporting statement, is included exactly as submitted to us by the proposing shareholder.

Resolved: That the Board of Directors of Brookfield Asset Management Inc. (“BAM”) expand its annual disclosure to shareholders, at reasonable cost and omitting proprietary information, to include key performance indicators (KPIs) on human capital management related to the company’s portfolio of alternative assets including real estate, infrastructure, renewable power and private equity. The enhanced annual disclosure should include:

- 1. Comprehensive health and safety KPIs across the company’s global assets and operations; and*
- 2. Full reporting on the number and types of complaints received from employees, including contractors and temporary workers, the remedies offered under its grievance mechanism and the percentage of complaints resolved.*

In order to provide comparable and consistent information, the metrics reported should align with internationally recognized good practice for reporting such as the Global Reporting Initiative and the Workforce Disclosure Initiative.

Supporting Statement

The disclosure of meaningful environmental, social and governance (ESG) metrics helps investors evaluate how a company manages key risks and upholds its responsibilities under international norms and frameworks such as the OECD Guidelines for Multinational Enterprises. These responsibilities include carrying out due diligence to avoid, prevent or mitigate adverse impacts linked to the operations of business relationships.

BAM directly employs over 80,000 people and relies on thousands more workers through contractors in countries with high risk for labour rights violations, including Colombia, the United Arab Emirates and China. By virtue of its business model and its management and operation of a diverse portfolio of real estate, infrastructure and private equity assets with a large employment footprint, BAM faces a broad range of workforce-related risks.

While in recent years, BAM has disclosed policies, codes and guidelines related to its management of ESG risks, its current disclosure does not provide sufficient metrics to help investors evaluate the company’s actual performance – particularly in the areas of occupational health and safety and employee complaints and grievances. A few Brookfield subsidiaries, such as Multiplex Construction Europe Limited, report health and safety metrics however most do not, and BAM provides no global data. As such, we are seeking more complete disclosure across all of BAM’s assets and operations.

Disclosure of metrics such as total recordable work-related injuries, and number of fatalities, for instance, would help investors to evaluate the company's progress against its stated commitment to "zero serious safety incidents". Similarly, data on the types of complaints received from employees and contract-workers, or the corrective measures taken to address workforce-related risks and concerns raised by its workforce would help demonstrate the effectiveness of human capital management practices.

Brookfield's Approach to Human Capital Management

Approach to Health and Safety

As noted in our Environmental, Social and Governance Management section of this Circular, we believe that acting responsibly toward our stakeholders is fundamental to operating a productive, profitable and sustainable business. This is consistent with our philosophy of conducting business with a long-term perspective in a sustainable and ethical manner, and includes placing the highest priority on employee health and safety.

Our commitment to ESG principles with respect to health and safety in the workplace forms an integral part of how our businesses are managed. Our approach includes the following:

- We target zero serious safety incidents, being fatalities or permanent disabilities, across Brookfield and our operating businesses.
- Each of our operating businesses is required to adopt established health and safety principles and key performance indicators ("KPIs") that each of our operating businesses is required to adopt. Pursuant to this framework, senior executives of each operating business are accountable for health and safety of their respective businesses, and health and safety systems are tailored to company-specific risks and integrated into the management of the business.
- Health and safety policies and procedures apply not only to employees, but also to contractors and subcontractors and that they also take into consideration the protection of the public in general.
- Our operating businesses provide training programs designed to ensure that employees have the necessary skills to conduct their work safely and efficiently.
- Health and safety performance is measured, and systems are reviewed regularly to identify areas for improvement.

As set out above, health and safety is embedded within all facets of our business and is supported by a well-established program consisting of four elements: (i) senior management of each of our operating companies; (ii) Brookfield's Safety Group; (iii) Brookfield's Safety Steering Committee, and (iv) the Board of Directors.

As an owner and investor in a range of operating companies, our focus on health and safety is embedded within all stages of our investment process from due diligence through to the exit process.

Our due diligence for new investments incorporates safety assessment measures to ensure businesses have a strong safety record or path to achieve one. Shortly after completion of the acquisition, a Safety System Assessment is completed by Brookfield's Safety Group, comprised of executives from safety or operations functions within Brookfield and our operating businesses who are actively involved and have proficiency in delivering on and monitoring our safety-focused performance. This assessment determines alignment with Brookfield's principles and elements of our culture, contractor management, training and risk assessment tools, as well as any gaps for the management team to address.

As health and safety risk varies across industry sectors and the nature of operations, following the acquisition and onboarding of a business, we emphasize the importance of having our operating businesses directly accountable and responsible for managing and reporting risks within their operations, while Brookfield provides an important level of strategic direction and engagement.

This strategic direction is provided by Brookfield through two principal bodies: (a) Brookfield's Safety Group (comprised of senior health and safety executives within our operating businesses, who are actively involved and have proficiency in delivering on and monitoring our safety-focused performance), and (b) Brookfield's Safety Steering Committee (comprised of the CEOs and COOs of each of our business groups and Brookfield's Head of Risk Management). Through these leadership bodies, Brookfield promotes transparency and learning from experience to continuously improve systems and performance.

From a monitoring and reporting perspective, our framework requires quarterly reporting from our businesses on the status of the implementation of health and safety principles and procedures, any safety incidents that have occurred, results from any internal or external health and safety audits, and other initiatives or best practices in the process of being implemented. As part of this reporting, we require tracking of the following KPIs:

- I. “serious safety incidents”, incidents that result in a fatality or permanent disability;
- II. “high risk incidents”, “near-miss” relating to incidents that could have resulted in a serious safety incident;
- III. “lost time injuries”, minor injuries sustained by an employee that results in time off work (calculated in days); and
- IV. “lost time injury frequency rating”, the number of lost time injuries occurring per a threshold of hours worked.

All of the above is reported to the Safety Steering Committee and the Risk Management Committee of the Brookfield Board of Directors on a quarterly basis.

Response to Proposal to Enhance Disclosure of Health & Safety Incidents

As described above, we place significant focus on having the highest standards of health and safety across our operating businesses and track and monitor performance in this area. To that end, we have increased our disclosure on our approach to health and safety in a meaningful way for the benefit of our shareholders. We do not believe, however, that aggregating and reporting on the specific metrics utilized in our management and oversight of health and safety within our business groups would be beneficial or useful to our shareholders for the following reasons:

1. As a global asset manager, the portfolio of companies we manage changes substantially year over year as we acquire and sell businesses, so year-over-year comparisons of safety performance would not be meaningful. Indeed, we may acquire businesses with the specific intent and capability of enhancing operating performance in this area.
2. The metrics that best support safety performance improvements are measured at the individual business level as these help identify specific, actionable areas for improvement. Consolidated or aggregated figures for the purpose of public disclosure would be far less meaningful or indicative of health and safety performance over time.

Fostering a Positive Workplace

As noted earlier in this Circular, we maintain significant emphasis on upholding a positive work environment. Our values of integrity, fairness and respect are hallmarks of our culture and are reiterated both formally through the Code and other policies, and informally in how we conduct our activities and the expectations of our employees. We have taken further steps to reflect the importance of a positive environment, including (i) developing a single global Positive Work Environment Policy that sets a consistent, high standard for conduct across our operations, (ii) creating direct and anonymous channels for purposes of reporting concerns about workplace harassment and other misconduct which are intended to minimize these behaviors, but also to identify and report workplace discrimination, violence and harassment as it occurs; (iii) requiring that any violations witnessed be reported; and (iv) introducing a leadership training program focused on the leader’s role in creating an environment that supports their team members in achieving their potential. This program covers the Positive Workplace Environment Policy and specifically outlines techniques for building trust, understanding and mitigating unconscious bias, fostering inclusivity and supporting team members in building confidence as they develop.

Encouraging and Acting on Employee Feedback

A significant component of fostering a positive work environment is ensuring multiple means by which employees are able to raise concerns both informally (by fostering a culture of respect, openness and collaboration), and formally (through an ethics reporting hotline which permits anonymous reporting).

Brookfield has had an ethics reporting hotline in place for over 15 years which provides an important forum for employees to report concerns. In addition, our wholly-owned or controlled operating businesses are required to implement their own hotline or provide our existing hotline to employees within six months of acquisition. This hotline access is available not only to full-time employees, but also to contract and temporary workers.

The hotline is managed by a third-party service provider. We assess feedback, in particular in the categories outlined as misconduct in our Positive Workplace Environment Policy, being discrimination, violence and harassment. All feedback through the hotline and other channels is assessed and actions are taken to address concerns, as appropriate. In many cases, feedback may be relatively straightforward, such as noise level, room temperatures, or work equipment needs. We have established criteria to evaluate 100% of allegations of discrimination, violence, harassment and any other significant matters, and investigate when the amount of detail provided allows us to do so. Corrective actions are always taken as appropriate and include termination where necessary.

To support and maximize the efficacy of our hotline, Brookfield has also adopted a “no-retaliation” policy. As set out in the Positive Work Environment Policy, we will not tolerate retaliation against anyone who has made a report based on the reasonable good faith belief that a violation of the Policy has occurred or may occur in the future or has co-operated honestly and completely with an investigation regarding a violation or possible violation of the policy.

In addition to the ongoing, timely independent review of employee reports, any significant reports are brought to the attention of relevant Committees of the Brookfield Board of Directors on a quarterly basis at minimum. Reports are reviewed with the relevant Committee together with management’s assessment and the corrective action being taken by the operating business.

Response to Proposal to Enhance Disclosure of the Number and Types of Complaints

We agree that there is value in increasing our reporting regarding our commitment to a positive work environment and the robust processes we have in place to receive and act upon employee concerns and will endeavour to do so for the benefit of our shareholders as appropriate. In addition to our response above, we have incorporated additional disclosure relating to our processes in this Circular under Environment, Social and Governance Management section.

We do not believe, however, that disclosing specific figures related to the number and type of complaints would be useful to our shareholders for a few key reasons:

1. As a global asset manager, our employee base changes significantly year over year as we acquire and sell businesses, so relevant year-over-year comparisons are not feasible or reflective indicators.
2. While we monitor and track all feedback, a substantial proportion of these do not relate to workplace misconduct or security. Our focus, importantly, is on the content, not quantity, of feedback. Reporting on total figures would risk overstating the scale of any true areas of concern that would be relevant for investors.
3. It is also worth noting that, in some cases, we have seen an increase in feedback from employees and stakeholders of businesses newly under our ownership, as we seek to create a culture of “speaking up”. This type of increase is in fact positive, and, as such, unlikely to provide a meaningful portrayal of the efficacy of our policies, procedures and activities in fostering a positive work environment.

For all of the reasons set forth above, the Board recommends that shareholders vote AGAINST the Proposal.

Other Business

The Corporation knows of no other matter to come before the meeting other than the matters referred to in the Notice of Meeting of Shareholders and Availability of Investor Materials dated April 25, 2019.

Directors’ Approval

The contents and posting of this Circular have been approved by the directors of the Corporation.



Justin B. Beber
Managing Partner,
Head of Corporate Strategy
& Chief Legal Officer

Toronto, Canada
April 29, 2019

APPENDIX A – CHARTER OF THE BOARD

1. Role of the Board

The role of the board of directors (the “Board”) of Brookfield Asset Management Inc. (the “Corporation”) is to oversee, directly and through its committees, the business and affairs of the Corporation, which are conducted by the Corporation’s officers and employees under the direction of the Chief Executive Officer (“CEO”).

2. Authority and Responsibilities

The Board meets regularly to review reports by management on the Corporation’s performance and other relevant matters of interest. In addition to the general supervision of management, the Board performs the following functions:

- (a) strategic planning – overseeing the strategic-planning process within the Corporation and, at least annually, reviewing, approving and monitoring the strategic plan for the Corporation, including fundamental financial and business strategies and objectives;
- (b) risk assessment – assessing the major risks facing the Corporation and reviewing, approving and monitoring the manner of managing those risks;
- (c) CEO – selecting the CEO; reviewing and approving the position description for the CEO including the corporate objectives that the CEO is responsible for meeting; and reviewing and approving the compensation of the CEO as recommended by the Management Resources and Compensation Committee;
- (d) officers and senior management – overseeing the selection of corporate officers and the evaluation and compensation of senior management;
- (e) succession planning – monitoring the succession of key members of senior management;
- (f) communications and disclosure policy – adopting a communications and disclosure policy for the Corporation that ensures the timeliness and integrity of communications to shareholders, and establishing suitable mechanisms to receive stakeholder views;
- (g) environmental, social, governance – reviewing the Corporation’s approach to environmental, social, and governance (“ESG”) matters within its corporate and asset management activities as reported to the Board by the Governance and Nominating Committee;
- (h) corporate governance – developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Corporation;
- (i) internal controls – reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity, including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance;
- (j) culture – on an ongoing basis, satisfy itself that the CEO and other executive officers create a culture of compliance throughout the Corporation, including compliance with the Corporation’s Code of Business Conduct and Ethics and its anti-bribery and corruption policies and procedures; and
- (k) whistleblowers – in conjunction with the Audit Committee of the Board, establish whistleblower policies for the Corporation providing employees, officers, directors and other stakeholders, including the public, with the opportunity to raise, anonymously or not, questions, complaints or concerns regarding the Corporation’s practices, including fraud, policy violations, any illegal or unethical conduct, and any accounting, auditing or internal control matters. The Board or a committee thereof will provide oversight over the Corporation’s whistleblower policies and practices to ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

3. Composition and Procedures

- (a) Size of Board and Selection Process – The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Governance and Nominating Committee recommends to the full Board the nominees for election to the Board and the Board proposes individual nominees to the shareholders for election. Any shareholder

may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the *Business Corporations Act* (Ontario) or at the annual meeting itself. The Board also recommends the number of directors on the Board to shareholders for approval. Between annual meetings, the Board may appoint directors to serve until the next annual meeting.

- (b) **Qualifications** – Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation’s activities. A majority of the directors will be Independent Directors based on the rules and guidelines of applicable stock exchanges and securities regulatory authorities and Unaffiliated Directors. The Board has adopted a gender diversity target for the Board that at least 30% of the Board’s Independent Directors be women.
- (c) **Director Education and Orientation** – The Corporation’s management team is responsible for providing an orientation program for new directors in respect of the Corporation and the role and responsibilities of directors. In addition, directors will, as required, receive continuing education about the Corporation to maintain a current understanding of the Corporation’s business and operations.
- (d) **Meetings** – The Board holds at least four scheduled meetings a year plus one to review the Corporation’s strategic plan, all chaired by the Chair of the Board. The Board is responsible for its agenda. Prior to each Board meeting, the Chair of the Board discusses agenda items for the meeting with the CEO and other members of senior management. Materials for each meeting are distributed to the directors in advance of the meeting. At the conclusion of each Board meeting, the independent and unaffiliated directors meet without any other person present. The Chair of the Board chairs these in-camera sessions.
- (e) **Committees** – The Board has established the following standing committees to assist it in discharging its responsibilities: Audit, Governance and Nominating, Management Resources and Compensation and Risk Management. Special committees are established, from time to time, to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of their committee. The governing charter of each standing committee is reviewed and approved annually by the Board.
- (f) **Evaluation** – The Governance and Nominating Committee performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors, and provides a report to the Board on the findings of this process. In addition, each individual director and each committee assesses its own performance annually.
- (g) **Compensation** – The Governance and Nominating Committee recommends to the Board the compensation for non-management directors (it is the policy of the Corporation that management directors do not receive compensation for their service on the Board). In reviewing the adequacy and form of compensation, the Governance and Nominating Committee seeks to ensure that director compensation reflects the responsibilities and risks involved in being a director of the Corporation and aligns the interests of the directors with the best interests of the Corporation.
- (h) **Access to Outside Advisors** – The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Chair of the Board, retain an outside advisor at the expense of the Corporation.
- (i) **Charter of Expectations** – The Board has adopted a Charter of Expectations for Directors which outlines the basic duties and responsibilities of directors and the expectations the Corporation places on them in terms of professional and personal competencies, performance, behaviour, share ownership, conflicts of interest and resignation events. Among other things, the Charter of Expectations outlines the role of directors in stakeholder engagement and the requirement of directors to attend Board meetings and review meeting materials in advance.

This Charter of the Board of Directors was reviewed and approved by the Board on March 1, 2019.

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